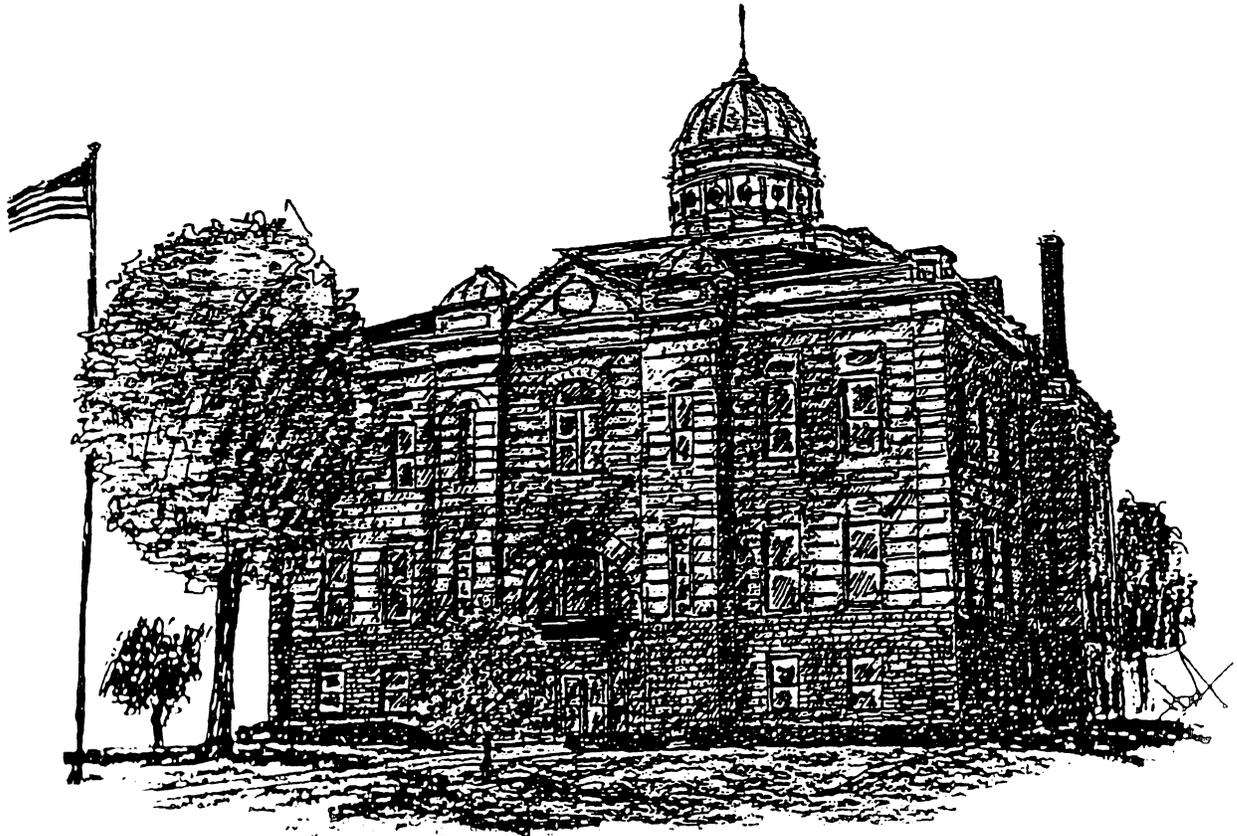


MENARD COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT
with
INDEPENDENT AUDITOR'S REPORTS

FOR THE YEAR ENDED NOVEMBER 30, 2012



MENARD COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED NOVEMBER 30, 2012

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Menard County, Illinois
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INDEPENDENT AUDITOR'S REPORTS

MJF
Michael J. Feriozzi, CPA

INDEPENDENT AUDITOR'S REPORT

To the Chairman and other County Commissioners
Menard County, Illinois

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Menard County as of and for the year ended November 30, 2012, which collectively comprise Menard County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Menard County's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Menard County as of November 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 31, 2013 on my consideration of Menard County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The *management's discussion and analysis* on pages I through XVIII, and the *budgetary comparison information, schedules of employer contributions, and schedules of funding progress* on pages 37 through 56 are not required parts of the basic financial statements but are *supplementary information* required by accounting principles generally accepted in the United States of America. I have applied

certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the *required supplementary information*. However I did not audit the information and express no opinion on it. In addition, the financial data and information included in notes 9 and 11 to the basic financial statements, pages 29 through 33, were not audited by me and I express no opinion on that data and information.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Menard County's *basic financial statements*. The *transmittal letter from the Menard County Treasurer*, the combining nonmajor funds and fiduciary funds financial statements that comprise the *supplementary section* are presented for purposes of additional analysis and are not required parts of the *basic financial statements*. The *combining nonmajor funds and fiduciary funds financial statements* have been subjected to the auditing procedures applied in the audit of the *basic financial statements* and, in my opinion, are fairly stated in all material respects in relation to the *basic financial statements* taken as a whole. The *transmittal letter from the Menard County Treasurer* has not been subjected to the auditing procedures applied in the audit of the *basic financial statements* and, accordingly, I express no opinion on it.

Michael J. Feriozzi

Springfield, Illinois

May 31, 2013

MJF
Michael J. Feriozzi, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

To the Chairman and other County Commissioners
Menard County, Illinois

I have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Menard County as of and for the year ended November 30, 2012, which collectively comprise Menard County's basic financial statements and have issued my report thereon dated May 31, 2013. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Menard County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Menard County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Menard County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. *A material weakness* is a *deficiency* or a *combination of deficiencies in internal control* such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a *deficiency* or *combination of deficiencies in internal control* that is less severe than a *material weakness*, yet important enough to merit attention by those charged with governance.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be *significant deficiencies* or *material weaknesses*. I did identify deficiencies in internal control over financial reporting by the Menard County Health Department, a

blended component unit of Menard County which I consider, in the aggregate, to be *significant*, as defined above.

I noted certain other matters that I reported to you in a letter dated May 31, 2013.

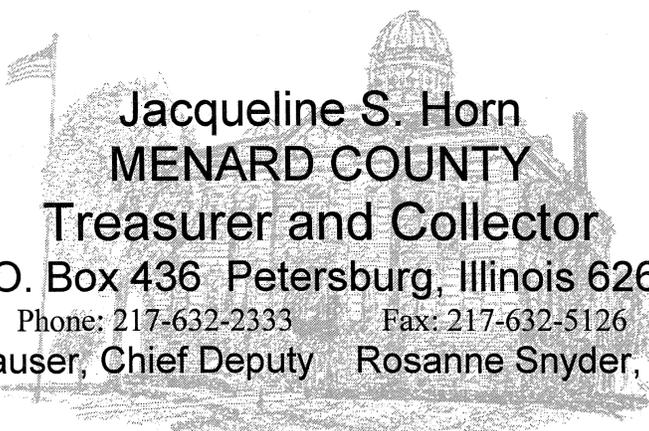
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Menard County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreement's, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Menard County Board of Commissioners, the County's management, other within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Springfield, Illinois
May 31, 2013

TRANSMITTAL LETTER

The seal of Menard County, Illinois, featuring a central dome, a flag on the left, and a building on the right.

Jacqueline S. Horn
MENARD COUNTY
Treasurer and Collector
P. O. Box 436 Petersburg, Illinois 62675
Phone: 217-632-2333 Fax: 217-632-5126
Pam Bauser, Chief Deputy Rosanne Snyder, Deputy

June 4, 2013

To the Chairman of the County Board,
Members of the Board of Commissioners and
Citizens of Menard County

Gentlemen:

As Treasurer of Menard County, I am pleased to present the County's annual financial report for the fiscal year ended November 30, 2012. The financial statements included in this report conform to Generally Accepted Accounting Principles in the United States (GAAP) as established by the Governmental Accounting Standards Board (GASB).

The annual financial report was prepared with an emphasis on full disclosure of the financial activities of the County. Responsibility for the completeness and the reliability of the content rests with County management. To provide a reasonable basis for making these representations, management of the County strives constantly to maintain a comprehensive set of internal controls, designed to ensure the assets of the County are protected from loss, theft or misuse. These controls also ensure that adequate accounting data is recorded to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the County's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The data presented in this report is believed to be complete and reliable in all material respects and is reported in a manner that presents fairly the financial position and results of operations as measured by the financial activity of the County's various funds. All statements and disclosures necessary for the reader to obtain an understanding of the County's financial activities have been included.

As a recipient of Federal and State financial assistance, the County's internal controls must also ensure, as well as document, compliance with applicable laws and regulations related to these programs. Management periodically evaluates the effectiveness of the County's internal controls.

Michael J. Feriozzi, certified public accountant, provided the independent audit of Menard County's financial statements. The goal of the independent audit is to provide reasonable assurance the financial statements of the County for the fiscal year ended November 30, 2012, is free of material misstatement. The audit included consideration of our internal control over financial reporting as a basis for designing auditing procedures and involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and the County's compliance with applicable laws and regulations. Our independent auditor did note a significant deficiency over financial reporting for the Menard County Health Department. In addition he continues to remind us to increase and maintain our organizational emphasis on monitoring delays in the collection of our accounts receivable for health

services provided by the Menard County Health Department; our emergency management services; and Sunny Acres Nursing Home.

No violations of laws or regulations or provisions of contracts and grant agreements pertaining to financial operations and reporting were noted. The independent auditor's reports directly precede this letter.

This annual financial report includes a narrative introduction from management in the form of Management's Discussion and Analysis (MD&A) that provides an overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it.

PROFILE OF MENARD COUNTY

Menard County was established in the winter of 1839 by action of the Illinois State Legislature, being one of three counties split off from Sangamon County. At the time, Abraham Lincoln was a Representative to the State Legislature and Chairman of the Committee on Counties. The bill to separate Menard from Sangamon was written and presented by Lincoln on January 16, 1839 and passed the legislature on February 15, 1839. The action defined the boundaries of Menard County and provided for an election on the first Monday in April 1839 to elect public officials and three county commissioners. Over one hundred sixty years later, on November 7, 2000 the voters passed the proposition to be represented by five commissioners elected from single member districts.

Menard County is located slightly west of the center of the state and contains approximately 314 square miles. Petersburg, the county seat, is about 20 miles northwest of Springfield. Early inhabitants from Southern states and European immigrants came to Menard County to farm. The county continues to be known for its rural character, with a nine percent increase over the last five years in total acres farmed. The National Agricultural Statistics Service updates their census data every five years. The next census survey will be conducted early in 2013 and will indicate any major change in the number of farms or average farm size (currently estimated at 411 farms averaging 410 acres). Annually, the Illinois Society of Professional Farm Managers and Rural Appraisers provides the Illinois Farmland Values and Lease Trends. Their 2013 report indicates sales in 2012 for 427 acres of Menard County farm ground with excellent productivity sold for an average of \$10,648 per acre, up from the 2011 sales of \$8,300 per acre.

Menard County is non-home rule and governed by the Illinois County Code, Chapter 55 ILCS 5/1-1001, et. seq., and related acts. Menard County's government consists of thirteen departments, six elected officials, the judiciary, and a five member County Board elected from single member districts. The board is responsible for establishing policies and authorizing resolutions for the administration of the County; hiring and supervision of the department heads; appointing committees for the benefit of county taxpayers and residents; and approving the annual budget and tax levy within the county organization.

Illinois has more taxing districts than any other state. In Menard County there are forty-six (46) taxing districts. The County Treasurer collects taxes for all these districts. The County Board is responsible for appointing the board members of special districts like the fire districts, rescue squad, and cemetery districts. Special districts are not part of county government as they set their own budgets and tax levies.

SERVICES PROVIDED

Menard County provides a full range of services including law enforcement, construction and maintenance of county roads and bridges, property assessment and collection of taxes, official records, voter registration, elections, document recordings, maintaining vital records, GIS mapping, comprehensive planning and growth management, a court system and related support functions, public health and home health services, animal control, emergency disaster planning and response, employment and training, senior transport, emergency public relief, and emergency medical services. The administrative functions to support all of these services comprise our *Governmental Activities*.

In addition to the above general government activities, the County owns and operates a skilled care nursing home. Sunny Acres Nursing Home accepts private pay, Medicaid, and Medicare patients. When beds are available, they are able to offer Respite and Daycare services. Countryside Estates, situated next door to Sunny Acres, opened in 2000 and is an independent living facility. These two proprietary operations comprise the *Business Activities* of the county.

The financial reporting entity includes all funds of *Governmental* and *Business-type Activities* as well as the component units for which the County is financially accountable. The Menard County Emergency Telephone System (ETSB) 911 is included in the County's basic financial statements as a "discretely" presented component unit. The fund for Emergency 911 appears in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County and to differentiate its financial position and results of operation from that of the County. A separate board, appointed by the County Commissioners, administers this component unit. Another component unit is the Menard County Health Department. It is also included in the County's basic financial statements but presented as a "blended" component unit. This means that the account balances and transactions of the Health Department are included with the County's because the Health Department is fiscally dependent on the County.

ECONOMIC AND DEMOGRAPHIC INFORMATION

According to 2012 U.S. Census Bureau statistics, Menard County's estimated population is 12,722. This represents a .13% increase over the 2010 census. Statewide, the population has only increased by .34%.

Menard County, which includes the nursing home and independent living facility, is the county's largest employer. Most county residents commute to Springfield for employment. The County's annual unemployment rate for 2012 averaged 7.4%, down from 7.5% the previous year. Statewide the unemployment rate was 8.9% in 2012 and 9.8% in 2011. Menard County is included in the Local Workforce Area 20 (LWA 20) which includes Cass, Logan, Christian, and Sangamon Counties. The unemployment rate for LWA 20 was 7.8% in 2012 and 8.0% in 2011. Data from the Illinois Workforce Information Center indicates an 9.7% unemployment rate for Menard County in February 2013, up from 8.6% in February 2012.

Countywide sales tax revenue from retail business only increased 1.85% from 2011 to 2012, down from the previous year comparison of a 6.96% increase. Public safety sales tax revenue decreased .55%. The county's share of income tax increased 11.74% over the 2011 collections. The State of Illinois is regularly behind schedule in remitting income tax to local governments. As of the first of May 2013, the State owes Menard County for three (3) months of income tax revenue, or \$166,023.

Other county departments depending on payments from the State of Illinois are Sunny Acres Nursing Home, Emergency Medical Services, Senior Transport, and Health and Highway. The county has been preparing for shortfalls the last nine (9) years, but there are no guarantees as to when the State of Illinois will have its financial affairs in order. Currently Medicaid payments to the nursing home, EMS and health department for services provided are taking six to twelve months.

MAJOR INITIATIVES

Rural Transportation is a project being handled by Dara Worthington in the Community Services office. Within the last year, Menard County left the proposed Logan, Mason, Menard Rural Transportation system and has entered into an intergovernmental agreement with Sangamon County for the delivery of rural transportation from grants received through the Illinois Department of Transportation. Both counties will be receiving 5311 Non-Metro Operating Assistance funds and Menard County will be receiving Downstate Operating Assistance funds as well. Members of the Menard County Board of Commissioners sit on an Ad Hoc committee along with other appointed members of the Sangamon County Board and provide guidance and oversight to the implementation and operation of this new undertaking.

Budgets have been developed and the operations system is in the process of being designed. Senior Services of Central Illinois, Inc. along with Menard County Senior Transportation will both be operators providing the actual transportation to rural residents within both counties. Additionally, Senior Services of Central Illinois, Inc. will manage administration and dispatch.

Transportation will be provided countywide to all residents of Menard County for a set fare. Reservations for this demand response, curb to curb system are provided on a first come first served basis. Additional vans will be leased in order to accommodate riders for the service. This service should not affect the current senior transportation system already in place.

The Ad Hoc committee has set July 1, 2013 as the tentative start date for rural transportation. The Illinois Department of Transportation requires various contracts, agreements, resolutions, etc. before this project gains approval, so updates will be provided to the Menard County Board at their regularly scheduled meetings and to the general public through local newspapers.

The County Zoning officer, Steve Duncan, reported eighty-seven (87) zoning permits were issued in 2012, with eleven (11) of them for new homes. Last year a total of one hundred thirty-three (133) building permits were issued with twenty-one (21) for new home construction.

Sunny Acres Home, along with all nursing homes in the State of Illinois, has been challenged by the Public Aid reimbursement system. Pat McNeal, administrator of Sunny Acres and Countryside Estates, says they were granted an increase in their rate (as they were and are well below being paid what it costs to provide care to their residents) *only* to have the addition of a new bed tax of \$6.07 per occupied non-Medicare bed (includes private pay) added. Public aid payment cycles to the nursing home have been averaging six (6) months behind schedule. How many of us could pay our bills if our checks were always six months behind?

Sunny Acres HAS managed to pay their bills, meet payroll demands to their well-deserved employees and continue to give quality care to their residents. In fact, they are very proud to say that they are a Five-Star Home! Our county owned facility is very unique among other county owned homes in that we are not tax supported. There is no line item on your tax statement designating tax dollars to Sunny Acres.

The nursing home will be facing more challenges as the health care system changes with Managed Care for Medicare/Medicaid eligible residents, tougher government scrutiny and decreases in Medicare reimbursement. Ms. McNeal states they will continue to make the provision of Quality Care to their residents a priority despite the challenges.

Sunny Acres has also been more active in regards to computer technology by providing WIFI to their residents and families, as well as Skype so there is more personal interaction available for residents, their families and their friends. Check them out on Facebook!

Countryside Estates has had a face lift with new carpeting in the hallways and living area as well as new paint in hallways, living room and dining room areas. A new dishwasher was also purchased this year.

Larry Graf, ETSB Chairman and John Balster, 911 Coordinator provided a review of ETSB accomplishments in 2012:

- The FCC mandated that all 911 systems must narrowband their radio equipment and FCC licenses by midnight on December 31, 2012. The Menard County ETSB sought input from Global Technical Systems Incorporated (GTSI) to review communication coverage within Menard County.
- In early spring 2012, the ETSB sought Request for Proposals on a countywide fire/medical radio and backup dispatch system.
- In March 2012, Tallula Fire District submitted Assistance to Firefighters Grant (AFG), a regional application, for purchase of the above equipment in the amount of \$186,000. The ETSB would be responsible for approximately \$18,000. The Tallula Fire District was awarded the AFG grant for the amount requested.
- In April 2012, the ETSB awarded the Request for Proposal bid to Global Technical Systems Incorporated in the amount of \$189,000.
- GTSI began installation in November 2012 of a new two-channel, two-site VHG two-way, voted receive, repeater system and a two-tone paging system. ETSB had secured a memorandum of understanding (MOU) with Menard County Rural Water to install equipment at the Atterberry water tower and the Tice Road water tower. A Zetron Communications console was installed at the Public Safety Answering Point (PSAP).
- Communications interoperability was enhanced by obtaining three new frequencies and the Petersburg Fire Department added a repeater to their fire frequency.
- The ETSB installed a new 60-foot tower at the dispatch center at the jail to enhance the new equipment. The cost was approximately \$27,000, in addition to security fencing, which cost approximately \$4,000.
- Two new dispatch consoles were installed in April 2012 which enhanced interoperability throughout the county to support the new equipment and software.
- In August 2012, the ETSB contracted with GeoComm, Inc. to upgrade 911 mapping software, at an approximate cost of \$3,300.

Menard County Emergency Management Agency (EMA) applied for \$52,127 in EMA grant funds from IEMA to cover a portion of Coordinator Larry Graf's salary and agency-related costs. The State of Illinois appropriated \$17,593. (An additional \$589 was later appropriated for 2012 but received in 2013).

During 2012, the county's Emergency Operation Plan was updated. Also, Coordinator Graf completed 231 hours of continuing education training to satisfy grant requirements. Such training included an All-Hazards Communication Leader class, a 16-hour Search and Rescue Management class, EMAT training, All-Hazards Position-Specific Operations Section Chief class and much more.

Menard County EMA secured through IEMA an Illinois Terrorism Task Force grant for \$5,770 for radio equipment. Some of these funds were disbursed to the City of Petersburg (fire department) and Athens Fire Department for the equipment. Those entities paid their portion of the matching funds required by the grant.

Menard County EMA, along with Menard County Emergency Medical Services, coordinated an exercise in May that involved a vehicle vs. bus crash. This scenario provided training for multiple emergency response agencies in Menard County and utilized evaluators from Sangamon County agencies.

The Menard County Emergency Medical Service has operated a medivan for many years. However, a Medivan Cost Analysis compiled in September 2012 revealed the cost to operate the service exceeded revenues, with an estimated year-end loss of (\$16,300). This primarily was due to a drop in call volume – Menard Convalescent Center had closed and medical transports were down from Sunny Acres Nursing Home and for dialysis. As a result, the Menard County Board of Commissioners decided to discontinue the medivan service, effective December 1, 2012. One full-time driver position was eliminated.

The Menard County Sheriff's Department transferred ownership of their 2007 Chevrolet Trailblazer to Menard County EMS. The Chevy replaced a 2005 Jeep, which EMS transferred to Menard County Animal Control.

Menard County EMS' biggest challenge is the aging of ambulances, where the maintenance and repair costs are exceeding the value of the vehicles. In 2012, the 1997 Ford (3D-14) and the 2002 Ford (3D-15) incurred the most expensive repairs, including a new rear floor in 3D-15. At fiscal year-end, two ambulances had over 100,000 miles each and the '97 Ford had over 210,000 miles. The fleet's age ranges from four (4) to sixteen (16) years.

Total calls for ambulance service were up slightly over 2011, with 1,327 calls recorded in 2012.

Office personnel continued to audit the patient accounts in 2012 to ensure the billing company had accurate insurance and other information for proper billing. They also determine the records between EMS-MC and our accounting matches. During this process, the billing clerk discovered the billing company had not been charging the proper mileage rate. The billing company, EMS/MC, was informed and insurance companies/patients were re-billed for the difference. Many insurance companies and patients have paid the amount due, while some have denied the claim, thinking it was a duplicate bill. The total collected is being tracked.

Menard County EMS received a grant from Rotary in late 2012 for a stair chair. The agency also secured Assistance to Firefighters Grant for training equipment, including a Manikin ALS trainer, flexible skeleton, Simulaid pediatric ALS and cricothyrotomy simulator trainers and AEDs.

Medicaid payments for both ambulance and Medivan calls continued to lag, at times between six months and a year behind. Medicare payments for ambulance calls, however, had a shorter turnaround time. Payments on accounts for patients with state employee health insurance coverage were sluggish, due to the state's financial crisis. An accounts receivable aging report is displayed on the next page.

Accounts Receivables Aging by Current Payor Report (Aging Date Based)

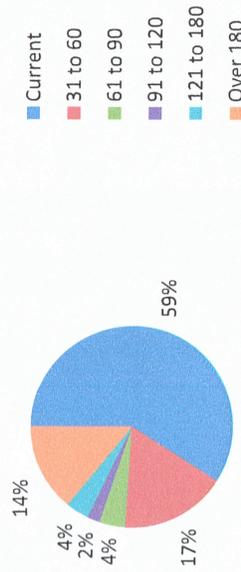
Menard County EMS
Ambulance Claims

Accounting Period Ending **November 30, 2012**

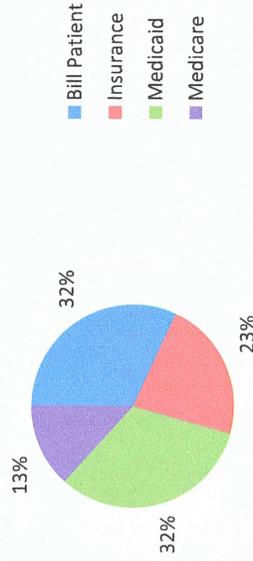
Grouped By Payor on Call - Report Category Only

<u>Current Payor</u>	<u>Current</u>	<u>31 to 60</u>	<u>61 to 90</u>	<u>91 to 120</u>	<u>121 to 180</u>	<u>Over 180</u>	<u>Total</u>
Bill Patient	45,450.37	24,281.99	11,433.64	3,233.02	10,007.99	18,113.36	112,520.37
Insurance	47,226.89	13,680.85	2,698.93	1,255.39	1,877.60	13,072.29	79,811.95
Medicaid	79,900.05	20,742.63	1,045.68	1,016.39	1,799.11	9,750.25	114,254.11
Medicare	36,500.87	1,102.00	(389.87)	1,521.42	(440.69)	9,115.93	47,409.66
Totals	209,078.18	59,807.47	14,788.38	7,026.22	13,244.01	50,051.83	353,996.09

AR Aging Percent



AR by Current Payor Category



Accounts Receivables Aging by Current Payor Report (Aging Date Based)

Menard County EMS
Car Claims

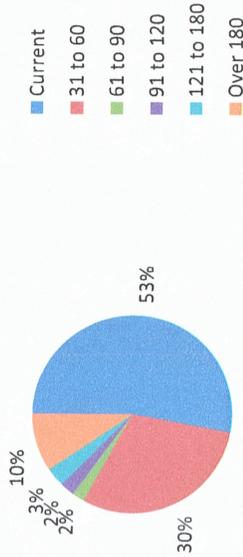
Accounting Period Ending

November 30, 2012

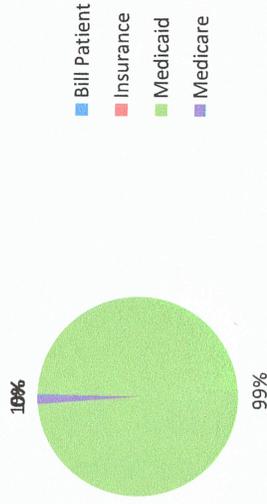
Grouped By Payor on Call - Report Category Only

Current Payor	Current	31 to 60	61 to 90	91 to 120	121 to 180	Over 180	Total
Bill Patient	349.60	-	199.00	-	-	(315.00)	233.60
Insurance	-	-	-	-	-	-	-
Medicaid	45,483.55	26,636.28	1,637.54	1,992.50	2,856.16	8,748.85	87,354.88
Medicare	1,167.39	-	-	-	-	-	1,167.39
Totals	47,000.54	26,636.28	1,836.54	1,992.50	2,856.16	8,433.85	88,755.87

AR Aging Percent



AR by Current Payor Category



Menard County EMS, along with Menard County Emergency Management Agency, coordinated an exercise in May that involved a vehicle vs. bus crash. This scenario provided training for multiple emergency response agencies in Menard County and utilized evaluators from Sangamon County agencies.

At year-end 2012, the full-time staff was comprised of twelve (12) paramedics, including the EMS Chief Larry Graf; one intermediate-level EMT; a full-time billing clerk; part-time administrative assistant and fiscal officer; and numerous part-time EMTs. Several personnel participated in required and/or special training throughout the year. There are several paramedics among the part-time/on-call staff.

The fiscal officer continues to monitor the collections report, sending out final notices from Menard County rather than the billing company, in order to provide every opportunity for a patient to set up a repayment plan to avoid being submitted to collections. Recommendations on accounts to enter into the collections process are submitted to the county board bi-monthly.

Tom Casson, highway superintendent, reported reconstruction and widening of the Athens Blacktop Road (CH 2) from just west of the intersection of New Salem Bluff Road to the east end of the bridge over the Sangamon River began in May 2012 and was completed by November 2012. This work also included reconstruction of the intersection with Chautauqua Road. K.E. Vas Company of Jacksonville, Illinois was the contractor on the project. Final construction cost was \$1,365,820. Construction funding for this project includes \$617,910 from federal High Risk Rural Road Program (HRRRP) funds, \$598,328 from federal Surface Transportation Rural (STR) funds and \$149,582 from local Federal Aid Matching Fund.

Less than five miles of county highway were chip sealed in 2012. This included Post Street from Athens to Digiovanna Avenue, the center twenty feet of East & West Center Streets in Oakford, and various spot sealing throughout the county highway system. This work required 15,403 gallons of SRS-2 road oil and 605 tons of CA-16 chips.

Two bridges on County Highway 1, Middletown Blacktop Avenue, were replaced in 2012. One bridge was over a tributary to Allen's Grove Ditch just east of the Union Pacific Railroad crossing and the other about a mile farther east over a tributary to Pike Creek. Both bridges were funded with 80% federal Bridge Funds and 20% county Bridge Funds. The final cost for construction was \$291,386 and \$279,141 respectively.

The county currently has three Road District bridges that are closed, five Road District bridges that are posted for 15 tons or less and one County Highway bridge rated for legal load only. All but one of these bridges has timber substructures that have exceeded their design life and need to be replaced. Temporary repairs, where feasible, have been made but time is running out before more closures take place.

One of the closed bridges in Road District #3, Simmering Avenue over Cabiness Creek, is programmed with Township Bridge funds for replacement in 2013. Also, scheduled for replacement in 2013 is a bridge on County Highway 1, Middletown Blacktop Avenue, just west of the Union Pacific Railroad crossing. This bridge is in the curve and crosses a tributary to Allen's Grove Ditch. It is the last timber pile bent abutment bridge on the County Highway system.

Bids were opened in December 2012 for the County Wide Sign Modernization project. T.M.F. Construction Company of Springfield, Illinois was the low bidder in the amount of \$386,998. Federal Highway Safety Improvement (HSIP) funds will cover 90% of the materials, labor and

equipment for the replacement of deficient signs and posts. The remaining 10% cost will be covered by each local entity involved. Work began in May 2013.

FINANCIAL INFORMATION, MANAGEMENT, AND CONTROL

The Board of Commissioners, by Illinois State Statute, adopts an annual appropriation budget for the County on or around the last day of November. Appropriations represent the maximum expenditures authorized during the fiscal year and they cannot legally be exceeded unless amended by the County Board. Unexpended amounts lapse at fiscal year-end.

The County Board takes a conservative approach toward financial management while continuing to provide good value to our citizens. The county has struggled to retain and restore the General Fund's fund balance when expenditures have been exceeding revenues. Last year it was determined major repairs or replacement of the courthouse roof and dome are needed, probably exceeding the million dollar mark. The Board continues to research the best avenue to retain the historic character of the courthouse and preserve an asset without using all of the taxpayer's money entrusted to their care. No final decisions have been made at this time.

Maintaining the fund balance has been a challenge since 2006 when we started to see the balance returning in a positive direction. Our objective of retaining and restoring the General Fund's fund balance eliminates the need for short-term borrowing, ensures obligations can be met, and provides a cushion against unexpected decreases in revenues and slow payments from the State of Illinois. There was a decrease in the fund balance at the end of fiscal years 2011 and 2012, both the result of transferring \$150,000, then \$140,000 additional General Fund dollars to the Building Improvement Fund. Increasing the Building Improvement fund balance will decrease the amount the County would need to borrow to repair/replace the courthouse roof.

The County General Fund has extended a revolving line of credit to the Health Department for many years. The credit line has been used to cover slow payments from Medicare, Medicaid and private pay insurance along with delayed grant payments from the State of Illinois. The established limit had been \$50,000 until the Health Department administration requested an increase to \$100,000 in November 2011.

The agreement between the County of Menard and the Menard County Board of Health and Menard County Health Department states the line of credit is to "help through short-term funding deficits due to unexpected expenses or late payments by the State of Illinois. The line of credit shall not fund operating losses."

During the independent audit process for fiscal year 2011, it was determined the continued reduction in home health volume combined with inadequate billing and collection processes for home health activities have resulted in a substantial loss in the Health Department's liquidity and fund balance levels. The department's financial condition has continued to deteriorate throughout fiscal year 2012 and into fiscal year 2013.

Although an increase in the line of credit has been requested by the Board of Health and its administrator, the County Board did not approve an increase. Instead, the line of credit was reduced back to \$50,000 effective December 1, 2012. The County Board had asked for a plan on how the Health Department was going to address their fiscal situation. The administrator presented several options for reducing expenditures that appeared to be lowering some of the department's overhead costs. These included not replacing the frontline receptionist; reducing custodial maintenance; transferring provider phone service; one furlough day per month per employee; and reducing mileage

reimbursement rate. At the end of May 2013, the County Board had approved payment of bills that pushed the line of credit to \$69,394.

The Board of Health presented a plan at the County Board's August 14 meeting outlining a process to reduce even more expenses by eliminating some services, such as: reducing environmental health inspector position to part-time; elimination of some grant programs; limiting staff by not replacing vacancies; modify on-call nurses; and eliminate the jail nursing program. Their goal is to provide fiscally solvent public health services.

By the end of fiscal year 2012, the environmental health inspector had submitted his resignation. The Health Department contracted with an independent inspector to be available when needed.

The Health Department has not provided the County Board with timely reports of accounts receivable and aging. The latest *detailed* receivable report dated October 2012 indicated \$148,228 due from: Medicare 75%; State of Illinois Grants 12%; Medicaid 5%; Insurance 6%; and Private Pay 1%. The aging report indicated: 36% were over 365 days late; 31% were 181-365 days late; 19% were 31-180 days late; and 14% were 0-30 days (or current).

The Board of Health accepted the resignation of its administrator, Alicia Davis-Wade, in February 2013. Due to its current financial position an administrator cannot be hired. The board was faced with a challenge of finding a way to continue providing public health services.

The Board of Health's chairperson, Edie Sternberg, arranged a joint meeting with the Sangamon County Health Department to discuss potential options. Several positive things came out of that meeting. A discussion involving Sangamon County providing administrative oversight seemed favorable to Menard County's Board of Health. Draft agreements are being reviewed by both counties, but as of this date details are still being ironed out.

It has been a challenging year for the Board of Health but they are positioned to move forward. The staff has worked hard to provide health services to citizens of Menard County and have made sacrifices needed to continue those services. Collection of their accounts receivable would expedite a positive cash flow.

The General Fund has an original loan to the Emergency Medical Services (EMS) Fund in the amount of \$327,000 which provided start-up costs to allow that department to purchase capital assets and provide operating capital to finance patient accounts and taxes receivable. Monthly principal and interest are being paid to the General Fund and the outstanding balance on May 31, 2013 is \$298,105.

The County Commissioners and other management members continue to monitor the financial condition of EMS, including personnel costs, and alternatives for future funding needed to replace our fleet of ambulances. Grant opportunities are continually monitored.

The county continues to face future funding demands for several areas of government: (1) the rising cost of funding the County's contribution rate for the retirement fund, (2) the increased cost of providing optional health insurance for employees, (3) the replacement costs for roads and bridges, (4) the rising cost of property, casualty, and liability insurance, (5) the need for more space for county services, (6) the constant maintenance and repair needed to preserve the County's ageing buildings, (7) the desire to offer a competitive salary for quality employees, (8) the need to maintain occupancy levels to capacity at both the nursing home and independent living facility, (9) the

uncontrollable costs of unfunded mandates by our legislature and (10) the pressure of demands from the taxpayers for higher levels of service.

Market losses during 2008 and again in 2011 impacted the county's contribution rates to the Illinois Municipal Retirement Fund (IMRF) for the year 2010 and beyond. Since returns on IMRF's investments netted much less than their anticipated returns, it was necessary to continue to divert more tax dollars to the Retirement Fund's levy. IMRF's investment returns improved in 2012. However, the County will not see any rate relief for several years.

While investment returns affect the employer rates most significantly, other factors come into play when IMRF determines the county's rate in future years. One fact is that people are living longer. This alone contributes a .40% increase in our rate. Another fact is retirement benefit changes. The Sheriff's Law Enforcement Plan (SLEP) was enhanced in 2007. While the SLEP deputies contributed an additional 1% for the enhancements, the enhancements resulted in additional liability of \$54,560 which the county is responsible for.

The entire IMRF Retirement Plan is better funded than the plan administered by the State of Illinois. At the end of 2007, IMRF was 100% funded. At the end of 2012, after market losses and recovery, the three plans average 84.3% funded. Assuming IMRF earns 7.5% in 2013 through 2016, the funded ratio is estimated to be 88.2%.

The county's Regular IMRF rate for 2013 represented a 6.87% increase in contributions, while the county will see some relief in this rate for 2014. The rate for SLEP will see a 10.19% increase in 2014 over the 2013 rate. The ECO (Elected County Official) rate will see a 34.76% increase. This is because ECO was closed to all new participants August 8, 2012, so consequently there will be a reduced payroll covering the unfunded liability. The rate must now be calculated using an expected decline in payroll on this "closed" plan.

IMRF is reducing the amortization for unfunded accrued liabilities for all of its participants. Currently the county's rate has been calculated based on a thirty year repayment. In 2014, the amortization period will be reduced one year each year until it reaches a fifteen year open period. An open period means the unfunded liability will be refinanced each year.

Beginning with the county's 2015 annual financial statements, we will be required to record our unfunded liability for IMRF on our entity wide balance sheet. GASB 68 will impact the accounting and financial reporting for pensions on all employers, increasing footnote disclosures and other required supplemental information.

The county made a decision to go "self-funded" for employee health insurance on July 1, 2010. The self-funded pool includes employees from the County and Sunny Acres Nursing Home. The County, EMS, Sunny Acres and the Health Department contribute seventy percent (70%) of the premium cost for regular employees and the County contributes one hundred percent (100%) of the premium for union deputies, union highway employees, and the highway superintendent.

The goal of the self-funded plan is to be able to provide a high quality group health care plan at a reasonable cost to the employee, employer and the taxpayer. The County's General Fund had to deposit additional funds after two months in the program. The balance of the fund is constantly monitored while it has been the hope of management the program will finally level out. Premiums and deductibles were increased but this has not helped the cash flow of the fund. The insurance plan ended the calendar year with no cash, a \$50,000 liability to the General Fund and estimated net outstanding claims totaling \$149,000.

The County obtains property, casualty, and liability risk management protection through the *Illinois Counties Risk Management Trust*. A separate Liability Insurance Fund includes the respective property tax levy that is used to fund risk management protection, pay deductibles, and to pay self-insured claims. Risk control techniques are emphasized to the employees and monitored in the various activities and departments of the County.

Menard County owns farm ground, of which 209 acres are tillable, east of Petersburg. In the early years, the farm had been managed as a traditional crop share operation. In the most recent years, the farm lease has been set up as a cash rent operation. The farm is also the site of a Verizon cell tower which provides additional lease income. The income from the "County Farm" subsidizes the County's General Fund operation. A new two year farm lease was bid in the fall of 2011 and began March 2012. The new cash rent lease increased by around sixty-six percent (66%).

The County Treasurer pools and invests all funds of the County within Investment Policy guidelines established November 1999 and according to federal, state and other legal requirements, most particularly the Illinois Compiled Statutes 30 ILCS 235/2. The main objectives of the treasurer's investment policy are legality, safety, liquidity, and yield. Cash is invested in insured and collateralized interest bearing demand deposits and money market accounts, certificates of deposit, and the Illinois Funds Money Market investment pool that is administered by the Illinois State Treasurer. Rock bottom interest rates have affected the interest income budgeted for 2012. This is the second year in a row the actual interest received fell short of the budgeted amount by over fifty percent (50%).

ACKNOWLEDGEMENTS

As County Treasurer my responsibilities include assisting Menard County's management in safeguarding its assets, preparing and presenting reliable financial reports, maintaining effective and efficient operations, and compliance with applicable laws and regulations. This report is the result of professionalism and cooperation within the County and was made possible from efforts of all elected officials and department heads and their staff.

I would like to express my sincere appreciation to my staff, Pam Bauser and Rosanne Snyder for their dedication, endless hours and professional attitude to the task at hand. Each elected official and department head along with their support staff has my appreciation for the contributions made in preparing this report. I would like to acknowledge the Board of Commissioners for planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Jacqueline S. Horn
Menard County Treasurer

MANAGEMENT'S DISCUSSION AND ANALYSIS

MENARD COUNTY, ILLINOIS
Management's Discussion and Analysis (MD &A)
For the year ended November 30, 2012

The County of Menard, Illinois' (County) management's discussion and analysis provides an overview of the County's financial activities for the year ended November 30, 2012 and is designed to (a) assist the reader in focusing on significant financial issues, (b) identify changes in the County's financial position (its ability to address the next and subsequent years' challenges), (c) identify any material deviations from the financial plan (the approved budget), and (d) identify the individual fund issues or concerns.

This *discussion and analysis* is intended to serve as an introduction to the County's *basic financial statements* and is designed to focus on the current year's financial activities, resulting changes, and currently known facts. We encourage you to read it in conjunction with the transmittal letter at the front of this report and the County's audited *basic financial statements*, which follow this section.

FINANCIAL HIGHLIGHTS

- At November 30, 2012 the County's assets exceeded its liabilities by \$24,547,000. Of this amount \$13,849,000 is invested in capital assets, net of related debt; \$7,090,000 is restricted for special purposes and uses; leaving \$1,606,000 available for the County's ongoing *governmental activities* and \$2,002,000 available for its ongoing *business-type activities*.
- The County's net assets increased during the course of this year's operations. The net assets of our *governmental activities* increased \$1,692,000, or 10.7%; all of this relates to the costs of completed road bridge projects directly funded by the State of Illinois Department of Transportation. The net assets of our *business-type activities* increased only \$13,000 or 2%. This resulted primarily because of a significant decrease in revenue from the successor arrangement to our intergovernmental agreement with the State of Illinois Department of Healthcare and Family Services for administering an alternative reimbursement methodology for Medicaid reimbursements.
- General tax revenues increased 1.5%, with property taxes increasing 2.4%.
- The cost of the County's *governmental activities* increased .9%. We continue to work at conserving our *roads and bridges* net assets for future construction costs funding. Since 2008, our *governmental activities costs* have only increased 2.3%, primarily because of our emphasis on conserving *roads and bridges* funds.
- The *net charges for services* for the County's *business-type activities* decreased 5.4% while expenses increased .9%.
- The *General Fund* experienced a decrease in the fund balance of \$169,000 before the return of \$60,000 from our *business-type activities* resulting in a \$109,000 decrease in the fund balance, or 5.2%. However, we did make a much needed transfer of \$140,000 to the *Building Improvement Fund*; we made a \$200,000 transfer to that fund in 2011.
- The *Emergency Medical Services Fund* had an increase in the fund balance of \$58,000 resulting in a fund balance of \$299,000 at year end. Or roughly the current purchase price of one and one half new ambulances. The loan from the *General Fund* decreased \$6,000 to \$304,000.
- The *Health Department Fund* incurred a \$28,000 reduction in fund balance, resulting in a fund balance of \$2,000 at year end; not nearly an adequate level of equity for providing this vital service. Management attributes this continuing unfavorable result to the contraction of the department's home health services. The economic results for home health activities have historically offset the net costs of the department's public health operations. The *Health Department Fund's* loan from the *General Fund* decreased from \$154,000 to start the year to \$40,000 at year end primarily because of management's efforts to collect delinquent

Menard County, Illinois
Management Discussion and Analysis – continued

- home health accounts receivable and the acceleration of the receipt of the annual basic health grant from the State of Illinois Department of Public Health.
- In June 2010 we changed our arrangement for providing group health hospitalization and medical benefits for eligible and participating County employees from using commercial insurance providers to a risk retention arrangement whereby the County and participating employees directly fund the related costs including the actual costs of claims, reinsurance protection costs, and administrative costs. An internal service fund, the *Self Insurance Fund*, was established to account for and report all of the monetary and economic aspects of providing this service benefit to other County funds and departments, including the Menard County Health Department. The *Self Insurance Fund* experienced a \$121,000 loss for 2012, resulting in a deficit to date of \$199,000.

USING THIS ANNUAL FINANCIAL REPORT

The *basic financial statements* focus on the County as a whole (*government-wide*) and on the *major individual funds*. Both of these perspectives (*government wide* and *major fund*) allow the financial statements users to address relevant questions, broaden a basis for comparison (year to year or government to government), and enhance the County's financial accountability.

Overview of the financial statements

This annual financial report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that *provides combining statements* for *nonmajor governmental funds* and the *fiduciary funds*. The *basic financial statements* include two kinds of statements that present different views of the County.

The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the County's overall financial status.

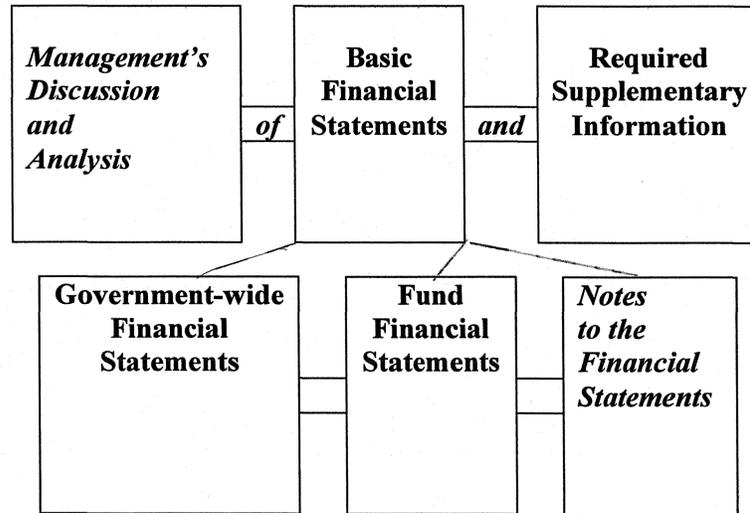
The remaining statements are *fund financial statements* that focus on *individual parts* of the County government, reporting the County's operations in more *detail* than the *government-wide statements* -

- The *governmental funds* statements tell how general government services like public safety, and roads and bridges were financed in the short term as well what remains for future spending. Such funds include the *general fund*, and several other funds that are special revenue funds; funds that account for and report the proceeds of specific revenue sources that are restricted for use for specified sources other than debt service or capital projects. The County does not use or is required to use debt service or capital projects funds.
- *Proprietary funds* statements offer short-term and long-term financial information about the activities the government operates like *businesses (enterprise funds)*, such as *Sunny Acres Nursing Home* and *Countryside Estates of the County*, and services the County provides internally on a cost reimbursement basis to funds and departments (*internal service funds*) like the risk retention aspects of self funding group type medical and hospitalization benefits for County employees.

Fiduciary funds statements provide information about the financial relationships – like the *Menard County Collector*, and the *Township Bridge* and *Township Motor Fuel Tax* arrangements with the County's road districts – in which the County acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

Menard County, Illinois
Management Discussion and Analysis – continued

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The *basic financial statements* are followed by a section of required supplementary information that further explains and supports the information in the financial statements. These required parts of our annual financial report are arranged and relate to each other as follows –



In addition to these required elements, we have included a section with combining statements that provide details about our *nonmajor governmental funds* and *fiduciary funds*.

The table that follows summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Menard County, Illinois
Management Discussion and Analysis – continued

Major Features of Menard County’s Government-wide and Fund Financial Statements

	Fund statements			
	Government-wide Statements	Government Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds) and component units	The activities of the County that are not proprietary or fiduciary, such as public safety	Activities the County operates similar to private businesses, Sunny Acres Nursing Home and Countryside Estates of the County	Instances in which the County is a trustee or agent for someone’s resources, such as township bridge
Required financial statements	Statement of net assets Statement of activities	Balance sheet Statement of revenues expenditures, and changes in fund balances	Statement of net assets, Statement of revenues, expenses and changes in net assets, Statement of of cash flows	Statement of fiduciary net assets, Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability data	All assets and liabilities, financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities financial and capital, and short-term, and long-term	All assets and liabilities financial and capital, and short-term, and long-term
Type of inflow and outflow data	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide financial statements

The *government-wide financial statements* report information about the County as a whole using accounting methods similar to those used by private-sector businesses. The government-wide financial statements include two statements, the *Statement of Financial Position* and the *Statement of Activities*. Fiduciary activities, whose resources are not available to finance County programs, are excluded from these statements. The *Statement of Financial Position* presents information on all of the County’s assets and liabilities with the difference between the two reported as *net assets*. Over time, increases or decreases in *net assets* may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The County’s financial position improved during 2012, although the improvement was totally because of the direct funding by the State of Illinois Department of Transportation of a significant portion of the construction costs of certain road and bridge projects completed during the year.

Menard County, Illinois.
Management Discussion and Analysis – continued

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. It presents the revenues and expenses of the County with the difference between the two reported as the change in *net assets* for the year.

Both of these *government-wide financial statements* distinguish the various functions of Menard County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The *governmental activities* of Menard County include general government, public safety, roads and bridges, public health, judiciary and court, county development, liability and insurance, retirement and FICA, public welfare, and interest on long-term debt. Also included are the assets and liabilities of the *Self Insurance Fund*.

The *business-type activities* include Sunny Acres Nursing Home and Countryside Estates of the County.

The *government-wide financial statements* also include legally separate component units, the *Menard County Health Department*, for which the County is financially accountable, and the *Menard County 911 System*. The account balances and transactions of the *Menard County Health Department* have been blended into the County's financial statements. "Blending" is a process by which the account balances and transactions of the component unit are reported in a manner similar to the account balances and transactions of the primary government entity. The account balances and transactions of the *Menard County 911 System* are discretely presented in the financial statements. A "discrete presentation" displays the component unit's financial information in a separate column(s) apart from the primary government.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County are categorized into three distinct fund types, *governmental funds*, *proprietary funds*, and *fiduciary funds*.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the *government-wide* financial statements. However, unlike the *government-wide* statements, *governmental funds'* financial statements only report on how general government services were financed during the year as well what financial resources remain for future spending.

Because the focus of *governmental funds'* financial statements is narrower than that of the *government-wide* financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the *government-wide* financial statements. By doing so, financial statement users may better understand the long-term impact of the County's near-term financing decisions. Both the *governmental funds' balance sheet* and the *governmental fund's statement of revenues, expenditures, and changes in fund balances* provide a *reconciliation* to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains individual *governmental funds*. Information is reported separately in the *governmental funds' balance sheet* and in the *governmental funds' statement of revenues, expenditures, and changes in fund balances* for the *General Fund, Liability and Insurance Fund, Emergency Medical Services Fund, Health Department Fund, County Highway Fund, and County Motor Fuel Tax Fund*, all of which are considered to be major funds. Data from the other *governmental funds* are combined into a single, aggregated presentation. Individual fund data for each of these *nonmajor governmental funds* is provided elsewhere in this report.

Menard County, Illinois
Management Discussion and Analysis – continued

The County's Board of Commissioners adopts an annual appropriations budget for its governmental funds. Budgetary comparison schedules have been provided for the *General Fund* and the other *major funds* to demonstrate budgetary compliance for these funds.

Proprietary funds

The County maintains two types of *proprietary funds*, *enterprise funds* for the activities the County operates like businesses and *internal service funds*. The County uses *enterprise funds* to account for the financial activities of Sunny Acres Nursing Home and Countryside Estates of the County; an *internal service fund* is used to account for the financial activities of the risk retention aspects of self funding group type medical and hospitalization benefits for eligible and participating county employees.

Proprietary funds' financial statements provide the same type of information as the *government-wide* financial statements, only in more detail. The *proprietary funds'* financial statements provide separate information for *Sunny Acres Nursing Home* and *Countryside Estates of the County (enterprise funds)* and the *Self Insurance Fund (internal service fund)*.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. *Fiduciary funds* are not reflected in the *government-wide financial statements* because the resources of those funds are not available to support the County's own programs. The accounting used for *fiduciary funds* is much like that used for *proprietary funds*.

Notes to the financial statements

The *notes* provide additional information that is essential to a full understanding of the data provided in the *government-wide* and *fund* financial statements. The notes also include information that is essential to a full understanding of the *required supplementary information*.

Other information

In addition to the basic financial statements and the accompanying notes, this report also presents certain *required supplementary information* concerning the County's *schedules of budgetary comparisons*, and *progress in funding its obligations to provide pension benefits to its employees and employer contributions*.

Combining fund statements are also a part of this report.

Menard County, Illinois
Management Discussion and Analysis – continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The table that follows presents a comparison of the County’s condensed *Statement of Net Assets* as of November 30, 2012 and 2011.

(to the nearest thousand dollars)

	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 6,907,000	6,588,000	\$ 5,245,000	4,854,000	\$ 12,152,000	11,442,000
Capital assets	11,202,000	9,684,000	2,717,000	2,944,000	13,919,000	12,628,000
Total assets	18,109,000	16,272,000	7,962,000	7,798,000	26,071,000	24,070,000
Current and other liabilities	668,000	512,000	797,000	646,000	1,465,000	1,158,000
Long-term debt outstanding	60,000	70,000	-	-	60,000	70,000
Total liabilities	728,000	582,000	797,000	646,000	1,525,000	1,228,000
Net assets -						
Invested in capital assets, net of related debt	11,132,000	9,599,000	2,717,000	2,944,000	13,849,000	12,543,000
Restricted	4,643,000	4,573,000	2,446,000	2,413,000	7,089,000	6,986,000
Unrestricted	1,606,000	1,518,000	2,002,000	1,795,000	3,608,000	3,313,000
Total net assets	\$ 17,381,000	15,690,000	\$ 7,165,000	7,152,000	\$ 24,546,000	22,842,000

The largest portion of the County’s net assets is reflected in its *investment in capital assets* (land, buildings, equipment, and infrastructure); less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens and others; therefore, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of outstanding debt used to acquire the assets it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net assets represent a variety of programs, projects, services and funds that are subject to external and internal restrictions on how they may be used. Both the County’s *governmental activities* and its *business-type activities* have restricted net assets. This means that these net assets are not available for funding the general operations of the related activity.

The remaining portion of the County’s *net assets, unrestricted net assets* are available for funding general operations related to the County’s *governmental and business-type activities*. **The trend in the amount of the County’s unrestricted net assets is a leading indicator of the County’s continued ability to fund its obligations to citizens, creditors, and others. Unrestricted net assets increased \$295,000 during the year. Unrestricted net assets for governmental activities increased \$88,000 or 5.8%. Business-type activities’ unrestricted net assets increased \$207,000 or 11.5%.**

Menard County, Illinois
Management Discussion and Analysis – continued

The table that follows presents a comparison of the County’s condensed *statement of activities* for the years ended November 30, 2012 and 2011 and indicates how the *net assets* changed each year.

(in thousands of dollars)

	Governmental		Business-type		Total	
	Activities		Activities		Total	
	2012	2011	2012	2011	2012	2011
Program revenues						
<i>Charges for services</i>	\$ 2,215	2,070	\$ 6,420	6,599	\$ 8,635	8,669
<i>Grants and contributions</i>	2,679	894	31	92	2,710	986
General revenues						
<i>Property taxes</i>	2,601	2,540	-	-	2,601	2,540
<i>Other taxes</i>	1,795	1,790	-	-	1,795	1,790
<i>Interest</i>	24	33	18	21	42	54
Total revenues	9,314	7,327	6,469	6,712	15,783	14,039
Expenses						
<i>General government</i>	1,247	1,282	-	-	1,247	1,282
<i>Public safety</i>	2,541	2,398	-	-	2,541	2,398
<i>Roads and bridges</i>	1,467	1,487	-	-	1,467	1,487
<i>Public health</i>	714	869	-	-	714	869
<i>Judiciary and court</i>	625	572	-	-	625	572
<i>County development</i>	72	69	-	-	72	69
<i>Liability and insurance</i>	334	266	-	-	334	266
<i>Retirement and FICA</i>	605	595	-	-	605	595
<i>Public welfare</i>	78	74	-	-	78	74
<i>Interest on long-term debt</i>	-	2	-	-	-	2
<i>Sunny Acres Nursing Home</i>	-	-	6,030	5,787	6,030	5,787
<i>Countryside Estates</i>	-	-	366	373	366	373
Total expenses	7,683	7,614	6,396	6,160	14,079	13,774
Excess (deficiency)	1,631	(287)	73	552	1,704	265
Transfers	60	60	(60)	(60)	-	-
Increase (decrease) in net assets	1,691	(227)	13	492	1,704	265

Governmental Activities

Program revenues for 2012 were \$4,894,000, an increase of \$1,930,000 from 2011. These revenues, consisting of *charges for services* and *grants and contributions*, are derived from the programs themselves and reduce the cost of the respective functions to the County. *Grants and contributions* increased \$1,785,000 primarily because of an increase in capital grants from the State of Illinois for *roads and bridges*. This can occur as a result of the State of Illinois’ Department of Transportation’s direct funding of certain road and bridge construction projects. There were three such projects in 2012.

Menard County, Illinois
Management Discussion and Analysis – continued

General Tax Revenues

General tax revenues consist of property taxes, state income taxes shared by the state of Illinois, motor fuel taxes allocated by the state of Illinois, local sales taxes collected by the state of Illinois and distributed to the County, and certain other taxes. Property taxes comprised 59% of the general tax revenues and are levied by the County within the constraints of the State of Illinois *property tax limitation law* to assist in funding the costs of the *general government, public safety, roads and bridges, retirement and FICA, and liability and insurance* programs. The County has specific property tax levies for costs associated with certain *public safety* program costs, *liability and insurance, roads and bridges, county development, retirement and FICA, and public welfare* programs in addition to the general corporate levy. The motor fuel taxes received by the County are restricted for the *roads and bridges* program.

The following tables display the changes in the County’s *general tax revenues* for 2012 and 2011, and the related changes in *property taxes*.

General Tax Revenues (to the nearest thousand dollars)

		2012	2011	Increase	
					%
Property taxes	\$	2,601,000	2,540,000	61,000	2.40
State income taxes		607,000	531,000	76,000	14.31
Motor fuel taxes		321,000	329,000	(8,000)	(2.43)
Public Safety Sales Tax		440,000	460,000	(20,000)	(4.35)
Sales taxes		361,000	388,000	(27,000)	(6.96)
Other taxes		66,000	82,000	(16,000)	(19.51)
Total	\$	4,396,000	4,330,000	66,000	1.52

Property Taxes by Governmental Activities’ Programs (to the nearest 100 dollars)

		2012	2011	Change
General government	\$	768,600	772,700	(4,100)
Public safety		319,200	321,700	(2,500)
Roads and bridges		608,700	584,600	24,100
Public health		8,200	8,100	100
County development		61,600	62,200	(600)
Liability and insurance		209,300	205,700	3,600
Retirement and fica		583,800	542,300	41,500
Public welfare		41,900	42,300	(400)
Total	\$	2,601,300	2,539,600	61,700

The table that follows presents a comparison of the *costs* of the County’s governmental activities as well as each activity’s *net cost* (costs less charges for services, operating grants and contributions, and capital grants contributions). The *net cost* indicates the financial burden placed on the County’s taxpayers by each activity.

Menard County, Illinois
Management Discussion and Analysis – continued

Cost and Net Cost Comparison of Governmental Activities

(in thousands of dollars)

	<i>Total cost</i>		<i>Net cost</i>	
	<i>of activities</i>		<i>of activities</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
<i>General government</i>	\$ 1,247	1,282	\$ 846	939
<i>Public Safety</i>	2,541	2,398	1,733	1,638
<i>Roads and bridges</i>	1,467	1,487	(971)	971
<i>Public health</i>	714	868	57	120
<i>Judiciary and court</i>	625	572	140	94
<i>County development</i>	72	70	10	5
<i>Liability and insurance</i>	334	266	334	266
<i>Retirement and fica</i>	605	595	605	595
<i>Public welfare</i>	77	74	34	19
<i>Interest on long-term debt</i>	-	2	-	2
Total	\$ 7,682	7,614	\$ 2,788	4,650

General government costs are incurred for the operation of certain offices and departments located in the County courthouse and are associated with the financial, administrative, property assessing, property tax extending and collection, document recording, election, and other general functions. *Public safety* costs are those associated with the County Sheriff’s Department and operation of the County jail complex. Also included are the costs associated with services provided by the County’s for emergency medical services including that department’s insurance costs and retirement costs, and the costs of providing animal control services. The County commenced providing emergency medical services in October 2005.

Roads and Bridges are the costs of operating the County’s Highway Department. The County utilizes several funds to account for the Highway Department’s activities. The County realized a capital contribution of \$1,813,000 in 2012 for the completion of a portion of the capital safety improvements to the Athens blacktop and two bridges. This, primarily, accounts for the decrease in the net cost of *governmental activities* from 2011.

Public Health costs are the costs of operating the Menard County Health Department’s programs including its administration of the tuberculosis program. The Health Department’s retirement costs, approximately \$67,000, are direct costs of and funded directly by the County’s *Retirement and FICA Fund*.

Judiciary and Court costs are those associated with operating the *Circuit Clerk’s Office, the State’s Attorney Office, the Probation Department* and the *County’s courts*.

County Development costs consist of certain costs pertaining to cooperative extension education, development of a countywide geographic information system, and certain economic development costs.

Liability and Insurance costs represent the County’s participation in the *Illinois Counties Risk Management Trust* for protection commonly associated with property, casualty, and workmen compensation protection as it pertains to the County’s governmental activities. Also included are certain unemployment compensation costs and the excess healthcare costs for the *Self Insurance Fund*. This activity can include costs incurred and not covered by insurance.

Menard County, Illinois
Management Discussion and Analysis – continued

Retirement and FICA costs consist of the County’s required contribution to the *Illinois Municipal Retirement Fund* and FICA costs for employees involved with the County’s *governmental activities*’ programs.

Public Welfare costs relate to providing general assistance and emergency relief, and senior transport van services to the County’s citizens.

Interest on long-term debt is the annual interest costs associated with the County’s general obligation debt obligations.

Business-type Activities

Business-type activities increased the County’s net assets \$13,000 for the year ended November 30, 2012. These same activities provided a \$492,000 increase in net assets for 2011.

Sunny Acres Nursing Home and Countryside Estates of the County. The following chart provides a comparison of net revenues for 2012 and 2011.

(to the nearest thousand)

	2012	2011	Change
Private pay	\$ 2,219,000	\$ 2,310,000	\$ (91,000)
Medicare	1,763,000	1,835,000	(72,000)
Medicaid	2,487,000	2,213,000	274,000
Medicaid Supplementary	130,000	373,000	(243,000)
Other	63,000	65,000	(2,000)
Medicaid contribution	(242,000)	(197,000)	45,000
Total	\$ 6,420,000	\$ 6,599,000	\$ (179,000)

The following chart provides a comparison of Sunny Acres Nursing Home’s resident days for 2012 and 2011.

(resident days)

	2012	2011	Change
Private pay	12,209	13,395	1,186
Medicare and other	3,304	3,271	33
Medicaid	18,959	19,033	(74)
Total	34,472	35,699	1,227
Annual capacity	38,796	38,690	106
Percent occupied	88.85%	92.27%	3.42%

The assets of the *Intergovernmental Transfer Fund* that were derived from administrative allowances earned for administering an alternate Medicaid reimbursement methodology for the State of Illinois Department of Healthcare and Family Services were transferred to the *Sunny Acres Nursing Home Fund* in late 2006 because the intergovernmental agreement was terminated by the Department on September 30, 2006. Administration of the alternate Medicaid reimbursement methodology became a required activity of Sunny Acres Nursing Home on November 1, 2006. The net assets transferred were

Menard County, Illinois
Management Discussion and Analysis – continued

segregated within the Sunny Acres Nursing Home Fund and have been reserved for capital purposes by the Menard County Board of Commissioners. The commissioners designated that future increases in the net assets of the Sunny Acres Nursing Home Fund derived from administering the alternate Medicaid reimbursement methodology will be reserved as a *capital reserve* equity component of the *Sunny Acres Nursing Home Fund* and designated for future capital needs. The alternate Medicaid reimbursement methodology process was discontinued on September 30, 2009. The commissioners have indicated that the portion of future Medicaid reimbursements that effectively represents the administrative allowances (Medicaid supplementary) earned and collected through the alternate reimbursement process will be designated as *capital reserve*.

Countryside Estates of the County, the County’s independent living facility, operated profitably for 2012 and 2011 because of consistent high occupancy.

The following table provides a summary comparison of the County’s *business-type activities* results for 2012 and 2011.

Business-type activities results

(in thousands of dollars)

	Sunny Acres Nursing Home Fund											
	Operations Component				Capital Reserve Component				Countryside Estates of the County Fund		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011		
Net revenue	\$ 6,013	6,181	\$ -	-	\$ 407	418	\$ 6,420	6,599				
Contributions	29	92	-	-	2	-	31	92				
Interest income	10	10	6	9	1	2	17	21				
Expenses	6,029	5,787	1	1	365	372	6,395	6,160				
Transfers, net	(421)	360	349	(189)	12	(231)	(60)	(60)				
Change in net assets	\$ (398)	856	\$ 354	(181)	\$ 57	(183)	\$ 13	492				

Component Units

The *Menard County 911 System’s* net assets decreased from \$621,000 to \$526,000 during the year. Net assets were \$795,000 in 2010. The net assets are meant to be accumulated for financing future capital asset and infrastructure needs. Capital assets of \$13,600 were placed into service during 2012. 911 services for the County began in 2007. The public’s discontinuing use of land based telephone lines is hampering the system’s ability to maintain revenues.

Financial Analysis of the County’s Funds

We noted earlier that the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Menard County, Illinois
Management Discussion and Analysis – continued

Governmental Funds

The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the County's financing requirements. In particular, *unreserved fund balances* may serve as a leading indicator of a government's *net resources* available for spending at the end of the fiscal year.

At the end of the current fiscal year, the County's *governmental funds* reported combined ending fund balances of \$6,425,000. Of this amount, \$410,000 is in non-spendable form; \$4,779,000 is restricted and assigned for future specific purposes such as roads and bridges, public safety, retirement costs, and insurance and liability costs. The remaining amount, \$1,236,000, the unassigned amount of fund balance of the County's *General Fund*, is available for funding future general operations and obligations.

The *General Fund* is the County's principal operating fund and is used to account for general operations. The fund balance of the General Fund at November 30, 2012 was \$1,965,000 with \$410,000 in non-spendable form and \$120,000 specifically assigned and \$199,000 committed for the *Self Insurance Fund's* deficit fund balance.

The *Liability and Insurance Fund* is used to account for the annual tax for the payment of the costs associated with the our *governmental activities'* property and casualty risk management activities including workman's compensation; and self insured unemployment compensation costs. The fund balance of this fund decreased \$4,000 to \$482,000 in 2012.

The *Emergency Medical Services Fund* is used to account for the revenues and all of the costs of providing emergency medical services in the County. It had a fund balance of \$299,000 at November 30, 2012 and a fund balance of \$241,000 at November 30, 2011. We have improved the financial viability of this vital County service with increased property tax funding within the confines of the State's property tax limitation laws.

The *Health Department Fund* is the result of "blending" the Menard County Health Department into the County's financial statements. It had a fund balance of \$2,000 at November 30, 2012. This was a decrease of \$27,000 from 2011. The department has experienced continued successive substantial contractions in the volume of home health services since 2007.

The *County Highway Fund* is the Highway Department's general operating fund. It had a fund balance of \$808,000 at November 30, 2012, a \$77,000 increase since 2011.

The *County Motor Fuel Tax Fund* had a fund balance of \$450,000 at November 30, 2012, a \$103,000 increase since 2011. The fund balance for this fund is restricted for future road and bridge project and maintenance spending in accordance with project budgets approved the County Board of Commissioners and the Illinois Department of Transportation.

The remaining *nonmajor governmental funds* reported a combined fund balance of \$2,419,000 at November 30, 2012, an increase of \$178,000 since 2011.

Proprietary Funds

The County's *proprietary fund financial statements* provide the same type of information found in the *government-wide financial statements*, but in more detail. Proprietary funds consist of both *enterprise* and *internal service funds*. Our enterprise funds are essentially our *business-type activities*. Our only internal service fund is the *Self Insurance Fund* which is included in our *governmental activities*.

Menard County, Illinois
Management Discussion and Analysis – continued

The *enterprise funds' unrestricted net assets* at November 30, 2012 were \$2,002,000 as compared to \$1,796,000 at November 30, 2011. Factors concerning the finances of these funds are discussed in the *business-type activities* section of this *discussion and analysis*.

The *internal service fund*, the Self Insurance Fund, had negative net assets, a deficit of \$199,000 at November 30, 2012; an increase of \$121,000 since 2011.

Fiduciary Funds

There were no significant changes in the operations of the *fiduciary funds* during the year ended November 30, 2011.

Major funds' budgetary highlights

The ***General Fund*** budgeted for a **decrease** in the fund balance of \$538,000 for the year ended November 30, 2012. The actual fund balance decrease for the year was \$109,000.

Revisions (individual line changes) to the original budget during the year were minimal and nominal. Budgeted revenues did not change and of course total budgeted expenditures and transfers out remained the same during the year.

Actual revenues were \$194,000 more than budgeted revenues Actual expenditures were \$148,000 less than budgeted amounts. Actual net transfers out, were \$3,000, more than what was budgeted.

The ***Liability and Insurance Fund's*** fund balance decreased \$4,000. We expected a \$35,000 decrease.

The ***Emergency Medical Services Fund's*** fund balance increased \$58,000. We expected a decrease of \$49,000.

The ***Health Department Fund's*** fund balance decreased \$27,000; the budgeted increase was \$2,000. The *Health Department's* budget is predominately an internal budget rather than an appropriated budget. Changes in the levels of grant funding provided by certain state agencies and changes in the volume of home health services often result in significant variances between budgeted and actual results. Home health revenues were \$148,000 less than what was budgeted and grant and fee revenues were \$67,000 more than what was budgeted.

The ***Highway Fund's*** fund balance increased \$77,000.

The ***County Motor Fuel Tax Fund's*** fund balance increased \$103,000.

The actual results for the County's ***nonmajor governmental funds*** were consistent with the County's Board of Commissioners and managements' expectations documented in the County's annual budget for the fiscal year ended November 30, 2012. A few *funds'* actual expenditures exceeded budgeted amounts. These funds and the excess amounts are listed in Note 2 to the basic financial statements.

A management budget is prepared each year for the two *enterprise funds* that comprise the County's *business-type activities*. The County Board of Commissioners' and management's expectations for *Sunny Acres Nursing Home* and *Countryside Estates of the County* results of operations is always greater than what is documented in the management budgets for those operations.

Our internal service fund, the *Self Insurance Fund*, was authorized July 1, 2010 with the expectation that incurred costs would equal or approximate contributions from the participating funds and departments including amounts from participating employees. This in fact was the result for 2010. However the actual result for 2011 and 2012 has been excess costs of \$78,000 in 2011 and \$121,000 in 2012 resulting in a deficit of \$199,000 at November 30, 2012.

Menard County, Illinois
Management Discussion and Analysis – continued

Capital Asset and Long-Term Debt

Capital Assets

At November 30, 2012 the County had invested \$13,919,000 in a broad range of capital assets including land, buildings and improvements, equipment vehicles, infrastructure (roads and bridges) and construction in progress.

The following table provides a comparison of the County’s capital assets at November 30, 2012 and 2011.

(net of depreciation in thousands of dollars)

	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Land	\$ 304	304	\$ -	-	\$ 304	304
Construction in progress	152	142	-	-	152	142
Buildings and improvements	1,013	1,156	2,439	2,635	3,452	3,791
Equipment	196	257	276	307	472	564
Vehicles	285	326	2	2	287	328
Roads	6,314	5,087	-	-	6,314	5,087
Bridges	2,938	2,412	-	-	2,938	2,412
Total	\$ 11,202	9,684	\$ 2,717	2,944	\$ 13,919	12,628

This year’s major capital assets additions included-

- ✓ **Continued improvements to Athens Blacktop \$1,366,000.**
- ✓ **Replacement of two bridges on the Middleton Blacktop, \$571,000.**
- ✓ **Vehicles and equipment for our Public Safety activities, \$71,000**

The Menard County 911 System acquired equipment items at \$13,600, primarily items for the dispatching system.

Menard County, Illinois
Management Discussion and Analysis – continued

The table that follows provides a comparison of depreciation expense by County programs for 2012 and 2011.

(to the nearest one hundred dollars)

		2012	2011		Change
Governmental activities					
General government	\$	92,500	96,000	\$	(3,500)
Public safety		94,200	113,600		(19,400)
Roads and bridges		275,500	262,600		12,900
Public health		15,200	18,400		(3,200)
Judiciary and court		33,500	29,300		4,200
Public welfare		16,200	16,200		-
Total governmental activities		527,100	536,100		(9,000)
Business-type activities					
Sunny Acres Nursing Home		195,500	176,500		19,000
Countryside Estates of the County		84,600	87,400		(2,800)
Total Business-type activities		280,100	263,900		16,200
Total government-wide	\$	807,200	800,000	\$	(7,200)

Long-Term Debt

At the end of the year, the County’s long-term debt consisted solely of one installment contracts for *public safety* equipment of \$70,000 for our *governmental activities*. We borrowed \$100,000 through the Illinois Finance Authority in 2009 to assist us in purchasing a replacement ambulance for our fleet. The acquisition cost was \$138,000 and we owed \$70,000 on this obligation at the end of the year.

Employee Retirement Benefit Plans

The County sponsors three defined benefit pension plans for County employees through the Illinois Municipal Retirement Fund (IMRF). IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. Detailed information and data for the County’s pension plans are provided in the *notes* to the *basic financial statements* and in the *required supplementary information* section of this annual financial report. The *notes* also include a discussion of the deferred compensation plans the County sponsors for its employees.

The County does not contribute to the deferred compensation plans.

Self Insurance for Medical and Hospitalization Benefits

Claims payable at year end were \$150,000. The *general fund* advanced \$50,000 to the *self insurance fund* for working capital purposes during 2010. This amount remained owed to the *general fund* at year end.

Economic Factors and 2013 and 2014

- ❖ We continue to remain quite aware of the overarching nature of the ongoing State of Illinois’ “fiscal crisis” and the potential for its ultimate resolution to negatively impact the future financial results of several of our individual funds including but not limited to our *General Fund*, the *Health Department Fund*, *Sunny Acres Nursing Home Fund*, and certain *Highway Department Funds*. State shared income taxes account for approximately 23% of the *General Fund*’s revenues and salary reimbursements from the State of Illinois provide another 8%.
- ❖ As a consequence of the State of Illinois’ “fiscal crisis”, we expect to continue having a concentration of credit with the State of Illinois periodically during 2013 and subsequent years while the state wrestles with and resolves its ongoing cash flow problems. This will negatively impact the cash flows of several funds including the *General Fund*, the *Health Department Fund*, and the *Sunny Acres Nursing Home Fund*.
- ❖ The State of Illinois has approved rules and procedures for the quarterly remittances of a portion of the annual Medicaid revenues for Sunny Acres Nursing Home. This arrangement was previously approved by the Federal government. However, it seems that one of the unintended consequences of the recent Medicare/Medicaid Alignment Initiative that is mandated to extend managed care to a minimum of 50% of the State of Illinois is that it was determined that the Federal government will not allow funding arrangements that provided for the quarterly remittances. Early in 2012, management decided to stop accruing the quarterly remittances as Medicaid revenues. The State of Illinois Department of Healthcare and Family Services has indicated that it has every intention of finding a way of continuing the quarterly remittance arrangement. It is this revenue, once collected, that we have retained and designated as *capital reserve* by the *Sunny Acres Nursing Home Fund*. We ended the year with \$606,000 due to us for the quarterly remittances accrued prior to the commencement of the Medicare/Medicaid Alignment Initiative. Also, our monthly claims for Medicaid reimbursements moved from a constant state of being two months in arrears to a constant state of being six months in arrears for our nursing home residents receiving Medicaid benefits during 2011; this was approximately a \$500,000 delay in annual Medicaid collections.
- ❖ The *General Fund* has advanced \$304,000 to the *Emergency Medical Services Fund*. The Commissioners and other management members continue to monitor and evaluate the collection status of the advance and believe it is adequately collateralized. Future funding needs for the eventual replacement of our fleet of ambulances are also being considered and evaluated. Realized Medicaid revenues for our Emergency Medical Services remain substantially less than the costs of those services.
- ❖ We anticipate that the *Menard County Health Department* will continue to experience cash flow problems during 2013 and 2014. The Health Department and the County have a line of credit arrangement in place that allows the General Fund to advance up to \$50,000 to assist the Health Department with its cash flow needs. The Board approved amount used on the line of credit at May 31, 2013 was \$69,000. We expect that the Health Department will continue to exceed the limit at times during the remainder of this year. The department is thinly capitalized and management has accomplished several cost reduction initiatives during 2013. Presently, the line of credit amount may not be entirely collateralized.
- ❖ We have been informed that the cost to eventually replace the roof on the courthouse will be quite substantial. The commissioners are considering potential funding options and have set aside funds to potentially offset a portion of the future costs.

***Menard County, Illinois
Management Discussion and Analysis – continued***

Requests for Information

The County's annual financial report is designed to provide our citizens, investors and creditors with the general overview of the County's finances. If you have questions about this report or need additional information, please contact the *Menard County Treasurer's Office* at the County Courthouse.

BASIC FINANCIAL STATEMENTS

MENARD COUNTY, ILLINOIS

STATEMENT OF FINANCIAL POSITION

November 30, 2012

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		
ASSETS				
Cash	\$ 2,633,316	\$ 646,528	\$ 3,279,844	\$ 98,043
Certificates of deposit	3,350,000	805,500	4,155,500	300,000
Accounts receivable, net	330,217	1,430,290	1,760,507	40,060
Taxes receivable, net	328,233	-	328,233	-
Due from other funds	89,256	-	89,256	-
Internal balances	(42,525)	42,525	-	-
Inventories	219,285	21,517	240,802	-
Restricted cash	-	336,484	336,484	-
Restricted certificates of deposit	-	1,355,605	1,355,605	-
Restricted accounts receivable	-	605,902	605,902	-
Land	304,319	-	304,319	-
Capital assets, net	<u>10,897,269</u>	<u>2,717,342</u>	<u>13,614,611</u>	<u>94,311</u>
TOTAL ASSETS	<u>18,109,370</u>	<u>7,961,693</u>	<u>26,071,063</u>	<u>532,414</u>
LIABILITIES				
Accounts payable	390,733	449,340	840,073	6,488
Accrued compensation	45,011	231,070	276,081	-
Self Insurance claims	150,117	-	150,117	-
Prepayments and deposits	-	116,150	116,150	-
Deferred revenue	62,185	-	62,185	-
Due to other funds	10,000	-	10,000	-
Debt payable within one year	10,000	-	10,000	-
Debt payable after one year	60,000	-	60,000	-
Other	-	-	-	-
TOTAL LIABILITIES	<u>728,046</u>	<u>796,560</u>	<u>1,524,606</u>	<u>6,488</u>
NET ASSETS				
Invested in capital assets, net of related debt	11,131,588	2,717,342	13,848,930	94,311
Restricted for -				
Roads and bridges	2,127,075	-	2,127,075	-
Public safety	306,637	-	306,637	-
Judiciary and court	344,113	-	344,113	-
Liability and insurance	481,895	-	481,895	-
Retirement and fica	207,915	-	207,915	-
Public health	72,546	-	72,546	-
Other	1,103,191	2,445,516	3,548,707	-
Unrestricted	<u>1,606,364</u>	<u>2,002,275</u>	<u>3,608,639</u>	<u>431,615</u>
TOTAL NET ASSETS	<u>\$ 17,381,324</u>	<u>\$ 7,165,133</u>	<u>\$ 24,546,457</u>	<u>\$ 525,926</u>

The accompanying notes are an integral part of this financial statement.

MENARD COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES

For the year ended November 30, 2012

Functions/Programs	Program Revenues				Primary Government		Total	Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
Primary Government								
Governmental Activities								
General government	\$ 1,247,436	\$ 372,812	\$ 28,234	\$ -	\$ (846,390)	\$ -	\$ (846,390)	
Public safety	2,541,003	743,528	57,666	6,270	(1,733,539)	-	(1,733,539)	
Roads and bridges	1,466,931	357,085	268,040	1,812,863	971,057	-	971,057	
Public health	714,375	345,601	311,476	-	(57,298)	-	(57,298)	
Judiciary and court	624,804	321,666	163,211	-	(139,927)	-	(139,927)	
County development	72,020	62,239	-	-	(9,781)	-	(9,781)	
Liability and insurance	333,794	-	-	-	(333,794)	-	(333,794)	
Retirement and Fica	604,480	-	-	-	(604,480)	-	(604,480)	
Public welfare	77,561	12,165	31,669	-	(33,727)	-	(33,727)	
Interest on long term debt	27	-	-	-	(27)	-	(27)	
Total Governmental Activities	7,682,431	2,215,096	860,296	1,819,133	(2,787,906)	-	(2,787,906)	
Business-type Activities								
Sunny Acres Nursing Home	6,030,118	6,012,877	17,284	12,117	-	12,160	12,160	
Countryside Estates	365,487	406,775	-	1,960	-	43,248	43,248	
Total Business-type Activities	6,395,605	6,419,652	17,284	14,077	-	55,408	55,408	
Total Primary Government	\$ 14,078,036	\$ 8,634,748	\$ 877,580	\$ 1,833,210	(2,787,906)	55,408	(2,732,498)	
Component Unit								
Menard County 911	\$ 335,694	\$ 237,792	\$ -	\$ -				\$ (97,902)
Total Component Units	\$ 335,694	\$ 237,792	\$ -	\$ -				(97,902)
General Revenues								
Taxes:								
Property taxes					2,601,298	-	2,601,298	-
State income taxes					606,691	-	606,691	-
Motor fuel taxes					320,848	-	320,848	-
Public safety sales tax					440,051	-	440,051	-
Sales taxes					360,688	-	360,688	-
Personal property replacement taxes					64,425	-	64,425	-
Other					2,014	-	2,014	-
Total taxes:					4,396,015	-	4,396,015	-
Interest income					23,585	17,669	41,254	2,775
Total general revenues					4,419,600	17,669	4,437,269	2,775
Transfers					60,000	(60,000)	-	-
Total general revenues and transfers					4,479,600	(42,331)	4,437,269	2,775
Change in net assets					1,691,694	13,077	1,704,771	(95,127)
Net assets-beginning					15,689,630	7,152,056	22,841,686	621,053
Net assets - ending					\$ 17,381,324	\$ 7,165,133	\$ 24,546,457	\$ 525,926

The accompanying notes are an integral part of this financial statement.

MENARD COUNTY, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

NOVEMBER 30, 2012

	General Fund	Liability and Insurance Fund	Emergency Medical Services Fund	Health Department Fund	County Highway Fund	County Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and certificates of deposit	\$ 1,363,487	\$ 463,329	\$ 486,825	\$ 25,060	\$ 773,607	\$ 439,509	\$ 2,431,499	\$ 5,983,316
Accounts receivable	81,852	-	36,313	68,938	11,665	-	131,449	330,217
Taxes receivable	196,070	-	111,020	-	-	18,818	2,325	328,233
Due from other funds	470,981	18,566	-	-	27,967	-	55,297	572,811
Total assets	\$ 2,112,390	\$ 481,895	\$ 634,158	\$ 93,998	\$ 813,239	\$ 458,327	\$ 2,620,570	\$ 7,214,577
LIABILITIES								
Accounts payable	\$ 36,020	\$ -	\$ 25,332	\$ -	\$ -	\$ 8,412	\$ 125,336	\$ 195,100
Accrued compensation	20,208	-	6,000	15,303	-	-	3,500	45,011
Deferred revenue	1,318	-	-	36,867	-	-	24,000	62,185
Due to other funds	89,679	-	304,054	39,992	4,810	-	48,853	487,388
Total liabilities	147,225	-	335,386	92,162	4,810	8,412	201,689	789,684
FUND BALANCES								
Nonspendable	409,941	-	-	-	-	-	-	409,941
Restricted for:								
General government	-	-	-	-	-	-	631,521	631,521
Public safety	-	-	298,772	-	-	-	7,865	306,637
Roads and bridges	-	-	-	-	808,429	449,915	845,074	2,103,418
Public health	-	-	-	1,836	-	-	30,718	32,554
Judiciary and court	-	-	-	-	-	-	344,113	344,113
County development	-	-	-	-	-	-	188,456	188,456
Liability and insurance	-	481,895	-	-	-	-	-	481,895
Retirement and fica	-	-	-	-	-	-	207,915	207,915
Public welfare	-	-	-	-	-	-	163,219	163,219
Committed for	198,809	-	-	-	-	-	-	198,809
Assigned	120,000	-	-	-	-	-	-	120,000
Unassigned	1,236,415	-	-	-	-	-	-	1,236,415
Total fund balances	1,965,165	481,895	298,772	1,836	808,429	449,915	2,418,881	6,424,893
Total liabilities and fund balances	\$ 2,112,390	\$ 481,895	\$ 634,158	\$ 93,998	\$ 813,239	\$ 458,327	\$ 2,620,570	\$ 7,214,577

The accompanying notes are an integral part of this financial statement.

MENARD COUNTY, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF FINANCIAL POSITION

NOVEMBER 30, 2012

Total fund balances - governmental funds (page 3) \$ 6,424,893

Amounts reported for governmental activities in the statement of net assets
are different because -

The statement of net assets includes the net assets of the internal service fund,
Self Insurance Fund, because of its reliance on the General Fund
for deficit funding. (198,809)

Inventories of rock, sand, gravel, and other materials used
for roads and bridges construction and maintenance have been
reported in the statement of net assets and are not reported
in the funds as financial resources - 219,285

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the funds. These assets consist of -

Land	\$ 304,319	
Construction in progress	151,575	
Buildings and improvements	3,496,386	
Equipment	1,952,029	
Vehicles	1,415,424	
Roads	11,163,914	
Bridges	3,868,968	
Accumulated depreciation	<u>(11,151,027)</u>	
Total carrying value of capital assets		11,201,588

Some liabilities are not due and payable in the current period and
are not reported in the funds. Those liabilities consist of -

Accounts payable for road and bridge projects and other net items	(195,633)
Long-term debt	<u>(70,000)</u>

Net assets of governmental activities (page 1) \$ 17,381,324

The accompanying notes are an integral part of this schedule.

MENARD COUNTY, ILLINOIS

STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

NOVEMBER 30, 2012

	General Fund	Liability and Insurance Fund	Emergency Medical Services Fund	Health Department Fund	County Highway Fund	County Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
REVENUES								
Property taxes	\$ 768,621	\$ 209,298	\$ 319,239	\$ -	\$ 247,790	\$ -	\$ 1,065,653	\$ 2,610,601
Public safety sales tax	-	-	440,051	-	-	-	-	440,051
Federal and State payments	1,216,243	-	59,493	306,601	44,662	359,210	237,824	2,224,033
Fines, fees, forfeitures and licenses	477,814	-	-	157,357	-	-	171,986	807,157
Charges for services	188,008	-	429,273	188,244	297,729	-	182,170	1,285,424
Other	17,326	-	15,977	-	16,918	-	21,238	71,459
Interest	17,877	-	-	100	5,135	339	122	23,573
Total revenues	2,685,889	209,298	1,264,033	652,302	612,234	359,549	1,678,993	7,462,298
EXPENDITURES								
Current:								
General government	1,006,768	-	-	-	-	-	102,821	1,109,589
Public safety	1,141,119	-	1,179,498	-	-	-	101,108	2,421,725
Roads and bridges	-	-	-	-	534,740	256,807	434,451	1,225,998
Public health	-	-	-	684,875	-	-	9,448	694,323
Judiciary and court	511,840	-	-	-	-	-	79,382	591,222
County development	6,250	-	-	-	-	-	87,550	93,800
Liability and insurance	-	213,187	-	-	-	-	-	213,187
Retirement and Fica	-	-	-	-	-	-	604,479	604,479
Public welfare	-	-	-	-	-	-	76,011	76,011
Debt service:								
Principal retirement	-	-	14,917	-	-	-	-	14,917
Interest and fiscal charges	-	-	29	-	-	-	-	29
Capital outlay:	69,043	-	11,655	-	-	-	150,846	231,544
Total expenditures	2,735,020	213,187	1,206,099	684,875	534,740	256,807	1,646,096	7,276,824
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(49,131)	(3,889)	57,934	(32,573)	77,494	102,742	32,897	185,474
OTHER FINANCING SOURCES (USES)								
Operating transfers in	109,240	-	-	4,995	-	-	314,000	428,235
Operating transfers (out)	(258,995)	-	-	-	-	-	(169,240)	(428,235)
Total other financing sources and uses	(149,755)	-	-	4,995	-	-	144,760	-
NET CHANGES IN FUND BALANCES	(198,886)	(3,889)	57,934	(27,578)	77,494	102,742	177,657	185,474
FUND BALANCES - BEGINNING	2,104,051	485,784	240,838	29,414	730,935	347,173	2,241,224	6,179,419
RESIDUAL EQUITY TRANSFERS IN	60,000	-	-	-	-	-	-	60,000
FUND BALANCES - ENDING	\$ 1,965,165	\$ 481,895	\$ 298,772	\$ 1,836	\$ 808,429	\$ 449,915	\$ 2,418,881	\$ 6,424,893

The accompanying notes are an integral part of this financial statement.

MENARD COUNTY, ILLINOIS

RECONCILIATION OF THE CHANGES OF FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

NOVEMBER 30, 2012

Net changes in funds balances - total governmental funds (page 5)	\$ 245,474
Amounts reported for governmental activities in the statement of activities are different because -	
The statement of activities includes the net transactions of the internal service fund, Self Insurance Fund, because of its reliance on the General Fund for deficit funding.	(120,596)
The cost of the County's new road and bridge construction projects completed during the year are usually primarily funded by the State of Illinois Department of Transportation. The State's share of the funding and the fair value of other contributed capital assets are reported as contributions in the government-wide financial statements but not in the fund financial statements -	1,812,863
Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of debt principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets. (See Note 7)	
Repayments:	
Installment contracts for EMS equipment purchases	14,917
Capital outlays are reported as expenditures in governmental funds. However in the statement of activities, the cost of the capital assets is allocated over their estimated useful lives as depreciation expense. (See Note 5)	
Capital outlays	\$ 231,544
Depreciation expense	<u>(527,068)</u>
Excess of depreciation expense over capital outlay	(295,524)
Some costs do not require the use of current financial resources and are not reported as expenditures in the fund financial statements but must be included in the government-wide financial statements as expenses -	
Increase in inventories of rock, sand, and gravel	34,560
Change in net assets of governmental activities (page 2)	<u><u>\$ 1,691,694</u></u>

The accompanying notes are an integral part of this schedule.

MENARD COUNTY, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

NOVEMBER 30, 2012

	Enterprise Funds				Total Enterprise Funds	Internal Service Fund Self Insurance Fund
	Sunny Acres Nursing Home Fund Operations Component	Capital Reserve Component	Total	Countryside Estates of the County Fund		
ASSETS						
Cash	\$ 372,421	\$ -	\$ 372,421	\$ 274,107	\$ 646,528	-
Certificates of deposit	480,500	-	480,500	325,000	805,500	-
Accounts receivable, net	1,429,880	-	1,429,880	410	1,430,290	-
Due from other funds	62,886	-	62,886	-	62,886	1,308
Inventories	18,000	-	18,000	3,517	21,517	-
Restricted assets:						
Cash	-	336,484	336,484	-	336,484	-
Certificates of deposit		1,355,605	1,355,605	-	1,355,605	-
Accounts receivable, net	605,902	-	605,902	-	605,902	-
Due from operations component	800	150,000	150,800	-	150,800	-
Total current assets	2,970,389	1,842,089	4,812,478	603,034	5,415,512	1,308
CAPITAL ASSETS - NET	1,537,431	-	1,537,431	1,179,911	2,717,342	-
TOTAL ASSETS	4,507,820	1,842,089	6,349,909	1,782,945	8,132,854	1,308
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	321,894	-	321,894	18,088	339,982	150,117
Medicaid provider assessment	109,358	-	109,358	-	109,358	-
Accrued compensation	231,070	-	231,070	-	231,070	-
Residents' prepayments, overpayments, and deposits	110,642	-	110,642	5,508	116,150	-
Due to operations component	150,000	800	150,800	-	150,800	-
Due to other funds	18,686	1,675	20,361	-	20,361	50,000
Total current liabilities	941,650	2,475	944,125	23,596	967,721	200,117
NET ASSETS						
Invested in capital assets, net of related debt	1,537,431	-	1,537,431	1,179,911	2,717,342	-
Other restricted	605,902	1,839,614	2,445,516	-	2,445,516	(198,809)
Unrestricted	1,422,837	-	1,422,837	579,438	2,002,275	-
TOTAL NET ASSETS	\$ 3,566,170	\$ 1,839,614	\$ 5,405,784	\$ 1,759,349	\$ 7,165,133	\$ (198,809)

The accompanying notes are an integral part of this financial statement.

MENARD COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 2012

	Enterprise Funds					Internal Service Fund Self Insurance Fund
	Sunny Acres Nursing Home Fund			Countryside Estates of the County Fund	Total Enterprise Funds	
	Operations Component	Capital Reserve Component	Total			
NET OPERATING REVENUES	\$ 6,012,877	\$ -	\$ 6,012,877	\$ 406,775	\$ 6,419,652	\$ 590,746
OPERATING EXPENSES						
Salaries and wages	3,217,162	-	3,217,162	113,131	3,330,293	-
Contractual labor	-	-	-	-	-	-
Retirement costs	487,310	-	487,310	8,992	496,302	-
Medical and nursing supplies	331,139	-	331,139	-	331,139	-
Food and dietary supplies	296,651	-	296,651	50,158	346,809	-
Therapy costs	646,821	-	646,821	-	646,821	-
Insurance and risk management	308,242	-	308,242	31,854	340,096	694,239
Depreciation	195,542	-	195,542	84,601	280,143	-
Utilities	152,865	-	152,865	30,199	183,064	-
Professional fees	74,943	800	75,743	2,500	78,243	-
Maintenance and repairs	64,477	-	64,477	36,696	101,173	-
Provider participation fee	58,194	-	58,194	-	58,194	-
Housekeeping and laundry	53,891	-	53,891	851	54,742	-
Advertising	19,837	-	19,837	-	19,837	-
Provision for bad debts	-	-	-	-	-	-
Administration and other costs	122,244	-	122,244	6,505	128,749	17,115
Total operating expenses	6,029,318	800	6,030,118	365,487	6,395,605	711,354
OPERATING INCOME (LOSS)	(16,441)	(800)	(17,241)	41,288	24,047	(120,608)
NON-OPERATING REVENUES (EXPENSES)						
Contributions	17,285	-	17,285	1,960	19,245	-
Capital grant	12,117	-	12,117	-	12,117	-
Interest income	10,328	5,813	16,141	1,527	17,668	12
Interest expense	-	-	-	-	-	-
Non-operating revenues (expenses)	39,730	5,813	45,543	3,487	49,030	12
NET INCOME (LOSS)	23,289	5,013	28,302	44,775	73,077	(120,596)
TRANSFERS IN	-	349,374	349,374	11,882	361,256	-
TRANSFERS IN (OUT)	(421,256)	-	(421,256)	-	(421,256)	-
NET TRANSFERS IN (OUT)	(421,256)	349,374	(71,882)	11,882	(60,000)	-
CHANGE IN NET ASSETS	(397,967)	354,387	(43,580)	56,657	13,077	(120,596)
TOTAL NET ASSETS - BEGINNING	3,964,137	1,485,227	5,449,364	1,702,692	7,152,056	(78,213)
TOTAL NET ASSETS - ENDING	\$ 3,566,170	\$ 1,839,614	\$ 5,405,784	\$ 1,759,349	\$ 7,165,133	\$ (198,809)

The accompanying notes are an integral part of this financial statement.

MENARD COUNTY, ILLINOIS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED NOVEMBER 30, 2012

	Enterprise Funds					Internal Service Fund Self Insurance Fund
	Sunny Acres Nursing Home Fund			Countryside Estates of the County Fund	Total Enterprise Funds	
	Operations Component	Capital Reserve Component	Total			
CASH FLOWS FROM OPERATING ACTIVITIES						
Net cash received for resident care and health care	\$ 6,035,659	\$ -	\$ 6,035,659	\$ 407,236	\$ 6,442,895	\$ 589,438
Payments to suppliers and others	(2,508,547)	-	(2,508,547)	(158,390)	(2,666,937)	(675,295)
Payments to employees	(3,141,521)	-	(3,141,521)	(113,131)	(3,254,652)	-
Net cash provided (used) by operating activities	385,591	-	385,591	135,715	521,306	(85,857)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Contributions received	17,285	-	17,285	1,960	19,245	-
Net cash provided (used) by non-capital operating activities	17,285	-	17,285	1,960	19,245	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Certificates of deposit maturities	358,500	1,155,605	1,514,105	175,000	1,689,105	-
Certificates of deposit purchased	(480,500)	(1,355,605)	(1,836,105)	(325,000)	(2,161,105)	-
Advance to operations component	150,000	(150,000)	-	-	-	-
Residents' prepayments, overpayments, and deposits	-	-	-	(1,742)	(1,742)	-
Transfers in	-	349,374	349,374	11,882	361,256	-
Transfers out	(416,256)	-	(416,256)	-	(416,256)	-
Capital grant proceeds	81,524	-	81,524	-	81,524	-
Capital asset acquisitions	(44,893)	-	(44,893)	(12,829)	(57,722)	-
Net cash provided (used) by capital and related financing activities	(351,625)	(626)	(352,251)	(152,689)	(504,940)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	10,863	5,813	16,676	1,450	18,126	12
Net cash provided (used) by investing activities	10,863	5,813	16,676	1,450	18,126	12
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	62,114	5,187	67,301	(13,564)	53,737	(85,845)
CASH AND CASH EQUIVALENTS -BEGINNING OF YEAR	310,307	331,297	641,604	287,671	929,275	5,728
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 372,421	\$ 336,484	\$ 708,905	\$ 274,107	\$ 983,012	\$ (80,117)
NON-CASH CAPITAL AND FINANCING ACTIVITIES						

The accompanying notes are an integral part of this financial statement.

MENARD COUNTY, ILLINOIS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED NOVEMBER 30, 2012
 RECONCILIATION OF OPERATING INCOME
 TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Enterprise Funds			Countryside Estates of the County Fund	Total Enterprise Funds	Internal Service Fund Self Insurance Fund
	Sunny Acres Nursing Home Fund Operations Component	Capital Reserve Component	Total			
OPERATING INCOME (LOSS)	\$ (16,441)	\$ (800)	\$ (17,241)	\$ 41,288	\$ 24,047	\$ (120,608)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Depreciation	195,542	-	195,542	84,601	280,143	-
(Increase) decrease in accounts receivable	115,821	-	115,821	461	116,282	36,059
(Increase) decrease in due from other County Funds	(63,048)	-	(63,048)	-	(63,048)	(1,308)
(Decrease) increase in accounts payable	127,416	800	128,216	9,365	137,581	-
(Decrease) increase in Medicaid provider assessment	(29,991)	-	(29,991)	-	(29,991)	-
(Decrease) increase in accrued compensation	75,641	-	75,641	-	75,641	-
(Decrease) increase in other liabilities	(26,836)	-	(26,836)	-	(26,836)	-
(Decrease) increase in due to other County Funds	7,487	-	7,487	-	7,487	-
Net cash provided by operating activities	<u>\$ 385,591</u>	<u>\$ -</u>	<u>\$ 385,591</u>	<u>\$ 135,715</u>	<u>\$ 521,306</u>	<u>\$ (85,857)</u>

The accompanying notes are an integral part of this financial statement.

MENARD COUNTY, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

NOVEMBER 30, 2012

	<u>Private-purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash	\$ 204,435	\$ 718,908
Receivables	33	43,853
Due from other funds	190	10,893
Capital assets, net	57,254	-
Other	-	70,000
	<u>261,912</u>	<u>843,654</u>
LIABILITIES		
Accounts payable	1,000	-
Due to road districts	-	491,287
Due to taxing districts	-	352
Due to others	-	261,676
Due to other funds	-	90,339
	<u>1,000</u>	<u>843,654</u>
NET ASSETS		
Held in trust for - Individuals, organizations, and other governments	<u>\$ 260,912</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

MENARD COUNTY, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS**

YEAR ENDED NOVEMBER 30, 2012

	<u>Private-purpose Trust Funds</u>
ADDITIONS	
Fines, fees, and forfeitures	\$ 8,305
Charges for services	22,852
Contributions	-
Other	-
Interest	538
	<u>31,695</u>
DEDUCTIONS	
County law library	3,488
Investigations and training	-
Operating expenses	15,741
Depreciation	31,359
	<u>50,588</u>
Change in net assets	(18,893)
NET ASSETS-BEGINNING	<u>279,805</u>
NET ASSETS-ENDING	<u><u>\$ 260,912</u></u>

The accompanying notes are an integral part of this financial statement.

MENARD COUNTY, ILLINOIS

NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended November 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL STATEMENT

The accounting and reporting policies of Menard County, Illinois (County) relating to the funds included in the accompanying *basic financial statements* (financial statements) conform to accounting principles generally accepted in the United States of America that are applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standard Board (GASB), the American Institute of Certified Public Accountants in its publication, *Audits of State and Local Governmental Units*, and certain publications of the Financial Accounting Standards Board. As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the County has elected not to apply Financial Accounting Standards Board statements and interpretations, Accounting Principles Board opinions, and accounting research bulletins of the Committee of Accounting Procedure issued after November 30, 1989.

B. FINANCIAL REPORTING ENTITY

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The County's financial statements include the accounts of all County operations. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County

Three entities have been considered for inclusion in the County's financial statements. An overview of each entity and the consideration of financial accountability are discussed below. Management believes that only one of the County's component units, the *Menard County 911 System* should be included in the County's financial statements as a discretely presented component unit. A "discrete presentation" displays the component unit's financial information in a separate column(s) apart from the primary government. The account balances and transactions of the other component unit, the *Menard County Health Department* have been blended into the County's financial statements. "Blending" is a process by which the account balances and transactions of the component unit are reported in a manner similar to the account balances and transactions of the primary government entity.

MENARD COUNTY, ILLINOIS

Notes to Basic Financial Statements - Continued

Menard County 911 System- Residents of Menard County established the County's emergency telephone system in November 2002 when a referendum was approved authorizing the Menard County Board of Commissioners to impose a \$3.25 monthly surcharge on the billed subscribers of 911 network connection telecommunications carriers who provide such services to their Menard County customers. The County has established the *Menard County Emergency Telephone Systems Board*. The Board's power and duties have been defined by county ordinance and include planning the 911 system; coordinating, supervising, and implementation; fiscal responsibilities; and personnel decision-making. The financial statements of the *Menard County 911 System* are included in the County's financial statements because of the degree of physical control exercised by the County; the Menard County Board of Commissioners appoints all of the Board's members. It is presented as a "discretely presented component unit" to emphasize that it is a component unit legally separate from the County. Separate audited financial statements are not prepared.

Menard County Health Department- The account balances and transactions of the *Menard County Health Department* are included in the County's financial statements because it is fiscally dependent on the County. Separate audited financial statements are not prepared.

Logan-Mason-Menard Educational Service Region- the cost of operating the educational service region is generally apportioned among the three counties, Logan, Mason, and Menard based on each county's aggregate equalized assessed valuation used for property tax levies. Separate audited financial statements are on file with the Menard County Clerk. Operating surpluses and deficits partially accrue to Menard County; however, because Logan County provides more than fifty percent of the Region's support, the accounts of the Region are not included in Menard County's financial statements.

The County's Board of Commissioners appoints the board members of several organizations in the County. These organizations do not have a financial benefit/burden relationship with the County and are not required to be included in the County's financial statements.

C. BASIS OF PRESENTATION

The *government-wide financial statements* (the *statement of net assets* and the *statement of activities*) report financial information on all of the County's activities, except for fiduciary activities. Eliminations have been made to eliminate the double counting of certain internal transactions for reimbursements of insurance costs and fuel costs. *Governmental activities*, which are primarily supported by taxes, intergovernmental revenues, and other non-exchange transactions, are separately reported from *business-type activities*, which are financed in whole or in part by fees charged to external parties.

The *statement of net assets* presents the County's assets and liabilities with the difference between the two reported as net assets in three distinct categories -

Invested in capital assets, net of related debt – consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets – result from limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

MENARD COUNTY, ILLINOIS
Notes to Basic Financial Statements - Continued

Unrestricted net assets – are the net assets that remain after the County’s net assets have been classified between invested in capital assets net of related debt and restricted net assets.

It is the County’s policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues consists of 1) fees, fines, and charges paid by the recipients of goods and services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The County segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The *fund financial statements* provide information about these funds, including its fiduciary funds and blended component units. Separate fund financial statements are provided for each fund category – *governmental, proprietary, and fiduciary*. The emphasis on fund financial statements is on major governmental and proprietary funds (*enterprise and internal service*) each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and presented in a single column as *non-major funds*.

Fiduciary funds are excluded from the *government-wide* financial statements because those funds’ assets are held by the County in a trustee or agency capacity for others and therefore cannot be used to support the County’s programs.

Governmental funds are those funds through which most governmental programs are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources. The County has presented the following major governmental funds –

General Fund – This is the County’s main operating fund. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other revenues that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs not disbursed through other funds are disbursed from the *General Fund*.

Liability and Insurance Fund – This fund is used to account for the annual tax for the payment of the *governmental activities’* property and casualty risk managements, including funding of self insured unemployment compensation costs.

Emergency Medical Services Fund – This fund is used to account for the operations related to providing emergency medical services throughout the County, primarily ambulance service. This includes the levy and collection of the annual property tax for ambulance service, all of the public safety sales tax revenues, and the user charges collected to fund these services.

Health Department Fund – This fund is used to account for all of the financial resources and expenditures for operating the County’s Health Department. Revenues primarily consist of charges for services provided through the Department’s home health division and public health and other type grants.

MENARD COUNTY, ILLINOIS

Notes to Basic Financial Statements - Continued

County Highway Fund – This fund is used to account for the levy and collection of the annual property tax for the purpose of maintaining, and improving the County’s roads. It is also used to account for other financial resources that are not restricted by law or contractual agreement to some other County highway fund.

County Motor Fuel Tax Fund – This fund is used to account for the receipt of motor fuel taxes allotted to the County to be retained and used for the construction and maintenance of State and County roads and bridges and other projects. All expenditures from this fund require the approval of the Illinois Department of Transportation and the County’s Board of Commissioners.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the *statement of net assets*. The County has presented the following major *proprietary funds* –

Sunny Acres Nursing Home Fund – This *enterprise fund* is used to account for the operations of the County’s nursing home, *Sunny Acres Nursing Home*.

Countryside Estates of the County Fund – This *enterprise fund* is used to account for the operations of the County’s independent living facility, *Countryside Estates of the County*.

Self Insurance Fund – This *internal service fund* is used to account for all the monetary and economic aspects of providing group health insurance type benefits to eligible and participating County employees.

These three funds are the County’s only *proprietary funds*, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public and, internally, on a continuing basis, be financed or recovered through charges for those goods or services.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and delivering goods in connection with the proprietary fund’s principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, depreciation on capital assets and other costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County uses both *agency* and *private purpose trust funds* for its *fiduciary activities*. *Agency funds* are used to account for property taxes, fees, fines, and other monies collected on the behalf of other governments, and other entities and individuals. *Private purpose trust funds* are used to report all other trust arrangements under which principal and income benefit other governments, and individuals. Separate *fund financial statements* are provided for the *fiduciary funds* even though they are excluded from the *government-wide financial statements*.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial

MENARD COUNTY, ILLINOIS

Notes to Basic Financial Statements – Continued

statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The *government-wide financial statements* and *fund financial statements* for the *proprietary funds* are reported using the economic resources measurement focus and accrual basis of accounting.

The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included in the balance sheet and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

Governmental funds' financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified basis of accounting revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes and sales taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred.

The *Emergency Medical Services Fund*, the *Health Department Fund*, and certain other *governmental funds* report using full accrual basis of accounting.

Revenues susceptible to accrual are property taxes, sales taxes, licenses and fees, charges for service, interest income and intergovernmental revenues. All other governmental fund type revenues are generally recognized when received.

E. BUDGETS AND BUDGETARY ACCOUNTING

Budget amounts are determined on a basis consistent with generally accepted accounting principles for the specific fund types.

Appropriation balances lapse at year-end; consequently, the County does not utilize encumbrance accounting, a system by which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation.

F. CASH AND CASH EQUIVALENTS

The County Treasurer consolidates the cash for most of the *governmental funds* into two cash management pools in order to maximize interest income. Excess cash is invested in certificates of deposits with original maturities of one year or less with local financial institutions. Each fund whose monies are deposited in the pooled accounts has equity therein. This equity is available on demand and is considered to be "cash equivalents" for financial reporting purposes. The two cash pools are maintained within the *General Fund* and in the *County Highway Fund*. Interest earned from the pooled accounts is retained by these two funds as an administrative cost recovery.

The County considers *cash and cash equivalents* in proprietary funds to be cash on hand and demand deposits. In addition, because the two cash management pools are sufficiently liquid to

MENARD COUNTY, ILLINOIS
Notes to Basic Financial Statements - Continued

permit the withdrawal of cash at any time without prior notice or penalty, if any, the funds' equity in the cash management pools is also considered to be the equivalent of cash.

G. INVESTMENTS

Investments, if any, are reported at cost, which approximates fair value.

H. RECEIVABLES

Governmental Activities' Accounts receivable for services provided are reported net of related allowances for doubtful accounts and contractual adjustments for certain health department and emergency medical services. Contractual adjustments occur in those situations where the payment rate from third party payers is less than the rate charged by the County for the respective services.

Business-type Activities' accounts receivable for services provided are reported net of related allowances for doubtful accounts and contractual adjustments, if any.

Health related service revenues are reported at estimated net realizable amounts from individuals, third -party payers, and others for services rendered.

I. INVENTORIES

Inventories are accounted for at invoice cost determined by the first - in first - out method. The purchase method is used to account for materials and supplies. The costs of materials and supplies are initially recorded as expenses with the recognition, as inventories, of significant amounts of unused materials and supplies on hand at year-end.

J. PREPAID EXPENSES

Prepaid expenses are generally for payments made in the current year for services or benefits occurring in a subsequent year and are reported with *other assets*.

K. INTERFUND RECEIVABLES AND PAYABLES

Outstanding balances between funds are eliminated within the *governmental activities* and the *business-type activities* columns for presentation of the *government-wide financial statements*. Any residual balances outstanding between the *governmental activities* and the *business-type activities* are reported as *internal balances*.

The outstanding balances between funds are not eliminated for presentation of the *fund financial statements* where they are included as *due from/due to other funds*.

L. RESTRICTED ASSETS

Restricted assets primarily include cash and certificates of deposit that have limitations placed on their use through resolution adopted by the County or through external restriction imposed by creditors, grantors, or laws, or regulations of other governments. It includes resources such as the designated earnings of the County's *business-type activities* derived from past participation in an alternate Medicaid reimbursement methodology with the State of Illinois Department of

MENARD COUNTY, ILLINOIS
Notes to Basic Financial Statements - Continued

Healthcare and Family Services. Also included are the assets restricted for payment of self insurance claims for employee medical and hospitalization benefits.

M. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental and business-type activities in the government-wide financial statements and in the fund financial statements for the proprietary funds.

All capital assets are valued at historical costs or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Generally, assets capitalized have an original cost of \$1,000 or more and an estimated useful life of more than three years.

Property, plant, and equipment and infrastructure assets are depreciated using the straight-line method over the following estimated useful lives –

<i>Assets</i>	<i>Years</i>
<i>Buildings and improvements</i>	<i>10-40</i>
<i>Equipment</i>	<i>5-20</i>
<i>Vehicles</i>	<i>4-7</i>
<i>Roads</i>	<i>50</i>
<i>Bridges</i>	<i>75</i>

N. DEFERRED REVENUE

Revenue recognition for federal and state awards does not occur until the eligible costs attributable to the awards have been incurred. Excess amounts are deferred.

O. ACCRUED ABSENCES

County employees may accumulate earned but unused vacation pay benefits. Certain vacation benefits are included in accrued compensation for both the *governmental* and *business-type activities*.

P. LONG-TERM OBLIGATIONS

Long-term debt is reported as liabilities in the applicable *governmental* or *business-type activities* and *proprietary funds*' balance sheet. Bond issuance costs are deferred and amortized over the term of the related debt and are included in *other assets*.

Debt proceeds are reported as *other financing sources* for governmental funds with debt service funds created and used to account for the servicing of the long-term obligations.

Q. TRANSACTIONS BETWEEN FUNDS

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both *governmental* and *proprietary funds*.

R. FUND BALANCES FOR GOVERNMENTAL FUNDS

Effective December 1, 2010, the County and its component units adopted the provisions of *Governmental Accounting Standards Board Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definition*. The objective of the statement is to enhance the usefulness of fund balance information by providing fund balance classifications that can be more consistently applied and by clarifying existing *governmental fund type* definitions. The County has evaluated the use of the *special revenue funds* under the criteria set forth in statement 54 and has determined there is no change needed.

As prescribed by statement 54, *governmental funds* report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. As of November 30, 2011, fund balance for governmental funds consist of the following –

Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes assets that are not expected to be converted into cash anytime soon for example: inventories, prepaid amounts, and long term loans and advances receivable.

Restricted Fund Balance – includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the County’s highest level of decision making authority, the Board of County Commissioners. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).

Assigned Fund Balance – includes amounts intended by the County for specific purposes that are neither restricted nor committed. Intent is expressed by the Board of Commissioners to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund that are not classified as nonspendable, restricted, or committed.

Unassigned Fund Balance – the residual classification for the General Fund and includes all amounts not contained in other classifications. *Governmental funds* report residual negative balances as unassigned fund balance.

In circumstances when an expenditure is made for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

S. ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and

MENARD COUNTY, ILLINOIS
Notes to Basic Financial Statements – Continued

assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The County generally follows these procedures in establishing its budget –

1. In October of each year, the County Board of Commissioners develops a proposed operating budget for the fiscal year commencing the following December 1. The budget includes proposed expenditures and the means of financing them for virtually all of the County’s individual funds.
2. A copy of the proposed budget is placed on file with the County Clerk for public inspection.
3. Each year the budget is adopted by resolution of the County Board of Commissioners.

After adoption of the budget, further additional appropriations are prohibited for appropriated funds except in the event of an emergency. Transfers from one appropriation of any one fund to another appropriation of the same fund, not affecting the total amount appropriated, may be made at any meeting of the County Board by a vote of the members.

Formal budgetary integration is employed during the year as a management control device. Appropriation balances lapse at year-end. The following governmental funds had an excess of actual expenditures over budgeted expenditures for the year ended November 30, 2012.

	<i>Expenditures</i>		
	<i>Actual</i>	<i>Budget</i>	<i>Excess</i>
<i>Nonmajor Funds</i>			
<i>Tuberculosis Fund</i>	\$ 9,448	\$ 8,075	\$ 1,373
<i>Senior Transport Fund</i>	\$ 38,743	\$ 33,605	\$ 5,138

None of the County’s funds had a deficit fund balance at November 30, 2012, except for the *Self Insurance Fund*, which had a deficit fund balance of \$198,809. Management expects that this deficit condition for the risk retention aspects of self funding group medical and hospitalization type benefits for eligible and participating County employees will be corrected during the year ending November 30, 2013 and or future years.

MENARD COUNTY, ILLINOIS
Notes to Basic Financial Statements – Continued

The General Fund’s fund balance components at November 30, 2012 consisted of the following.

	<i>Nonspendable</i>	<i>Committed for</i>	<i>Assigned</i>	<i>Unassigned</i>	<i>Totals</i>
<i>Due from other funds</i>	344,046	-	-	-	344,046
<i>Accounts receivable</i>	15,895	-	-	-	15,895
<i>Internal Service Fund</i>	50,000	198,809	-	-	248,809
<i>Enterprise Funds</i>	-	-	120,000	-	120,000
<i>Available for spending</i>	-	-	-	1,236,415	1,236,415
<i>Totals</i>	409,941	198,809	120,000	1,236,415	1,965,165

3. DEPOSITS AND INVESTMENTS

State statutes authorize the types of investments the County may own and the financial institutions eligible to receive County deposits. This includes commercial banks, obligations of the United States Treasury and United States Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements subject to certain limitations, commercial paper rated within the three highest classifications by at least two standard rating services, Metropolitan Investment Fund, and the Illinois Funds Investment administered by the Treasurer of the State of Illinois. The County has approved the County treasurer’s investment policy. It is consistent with requirements of State statutes and strives to minimize the level of interest rate risk as well as the overall amount of credit risk. It is the policy and practice of the County treasurer to invest idle public funds in interest bearing accounts with local financial institutions and the Illinois Funds. Amounts on deposit with the local financial institutions in excess of insured limits must be entirely collateralized with appropriate investment securities, and the collateralization recorded by the respective financial institution’s safekeeping agents for its investments securities.

At November 30, 2012, all of the of the County and its component units’ bank deposits, were entirely insured and or collateralized by securities held by the pledging financial institutions’ safekeeping agents in the name of the County and or its component units.

The County had \$1,287,380 on deposit with the Illinois Funds Investment Pool at November 30, 2012. This deposit is not categorized because it is not evidenced by securities that exist in physical or book entry form. The Illinois Auditor General audits the financial statements for the Illinois Funds’ Investment Pool and performs other oversight functions.

MENARD COUNTY, ILLINOIS
Notes to Basic Financial Statements – Continued

4. ACCOUNTS and TAXES RECEIVABLE

Accounts receivable for the County's *governmental activities* at November 30, 2011 are as follows -

	<i>General Fund</i>	<i>Emergency Medical Services Fund</i>	<i>Health Department Fund</i>	<i>County Highway Fund</i>	<i>Other nonmajor Governmental Funds</i>	<i>Total Governmental Activities</i>
<i>Housing federal Prisoners</i>	36,679	-	-	-	-	36,679
<i>Salary reimbursements, State of Illinois</i>	49,399	-	-	-	-	49,399
<i>Construction costs, State of Illinois</i>	-	-	-	11,282	129,603	140,885
<i>Grants, State of Illinois</i>	-	-	32,776	-	-	32,776
<i>Salary reimbursements, ETSB 911</i>	6,488	-	-	-	-	6,488
<i>Medicare</i>	-	50,791	105,472	-	-	156,263
<i>Medicaid</i>	-	206,357	6,919	-	-	213,276
<i>Insurance</i>	-	97,276	7,629	-	-	104,905
<i>Individuals</i>	-	105,100	6,404	-	-	111,504
<i>Other</i>	18,273	-	-	841	1,842	20,956
<i>Interest</i>	5,514	-	14	383	4	5,915
<i>Totals</i>	116,353	459,524	159,214	12,506	131,449	879,046
<i>Less -</i>						
<i>Allowance for doubtful accounts</i>	(34,501)	(98,924)	(80,000)	(841)	-	(214,266)
<i>Allowance for contractual adjustments</i>	-	(324,287)	(10,276)	-	-	(334,563)
<i>Net</i>	81,852	36,313	68,938	11,665	131,449	330,217

Medicaid amounts are collected from the State of Illinois and are usually in arrears several months. For health related services, provided through the County's *governmental activities*, payment rates established by State and Federal legislation and contractual arrangements with other third party payers have been and are primarily prospective, with the intent of establishing payment rates that will not change before the period for which they will apply.

MENARD COUNTY, ILLINOIS

Notes to Basic Financial Statements – Continued

4. ACCOUNTS and TAXES RECEIVABLE - continued

Accounts receivable for the County’s *Business-type activities* at November 30, 2012 are as follows –

	<i>Sunny Acres</i>	<i>Countryside</i>	<i>Total</i>
	<i>Nursing Home</i>	<i>Estates of the</i>	<i>Business-type</i>
	<i>Fund</i>	<i>County Fund</i>	<i>Activities</i>
<i>Individuals</i>	178,340	82	178,422
<i>Medicare</i>	479,721	-	479,721
<i>Medicaid</i>	1,514,523	-	1,514,523
<i>Insurance</i>	136,272	-	136,272
<i>Interest</i>	949	328	2,063
<i>Totals</i>	2,309,805	410	2,310,215
<i>Less -</i>			
<i>Allowance for</i>			
<i>Doubtful</i>			
<i>Accounts</i>	(181,083)	-	(181,083)
<i>Allowance for</i>			
<i>Contractual</i>			
<i>adjustments</i>	(92,940)	-	(92,940)
<i>Net</i>	2,035,782	410	2,036,192

For health related services, provided through the County’s *business-type activities*, payment rates established by State and Federal legislation and contractual arrangements with other third party payers have been and are primarily prospective, with the intent of establishing payment rates that will not change before the period for which they will apply.

Taxes receivable for the County’s *governmental activities* at November 30, 2012 are as follows -

Tax	General Fund	Emergency Medical Services Fund	County Motor Fuel Tax Fund	Nonmajor Governmental Funds	Total Governmental Activities
<i>Sales</i>	40,761	111,020	-	2,325	154,106
<i>Use</i>	18,058	-	-	-	18,058
<i>Income</i>	137,251	-	-	-	137,251
<i>Motor fuel</i>	-	-	18,818	-	18,818
<i>Totals</i>	196,070	111,020	18,818	2,325	328,233

MENARD COUNTY, ILLINOIS

Notes to Basic Financial Statements – Continued

5. CAPITAL ASSETS

Depreciation expense for the *governmental activities*' functions was as follows -

<i>General government</i>	\$	92,458
<i>Public safety</i>		94,171
<i>Roads and bridges</i>		275,496
<i>Public health</i>		15,178
<i>Judiciary and court</i>		33,584
<i>Public welfare</i>		16,181
Total depreciation expense	\$	527,068

Depreciation expense for the *business-type activities*' was as follows.

<i>Sunny Acres Nursing Home</i>	\$	195,542
<i>Countryside Estates of the County</i>		84,601
Total depreciation expense	\$	280,143

Depreciation expense for the *Menard County 911 System* was \$95,803.

Capital assets activity for *governmental activities* for the year ended November 30, 2012 is as follows -

	December 1	Increases	Decreases	November 30
Governmental Activities:				
<i>Land</i>	\$ 304,319	\$ -	\$ -	\$ 304,319
<i>Construction in progress</i>	142,000	9,575	-	151,575
Total assets not being depreciated	446,319	9,575	-	455,894
Capital assets being depreciated				
<i>Buildings and improvements</i>	3,486,114	10,271	-	3,496,385
<i>Equipment</i>	1,919,689	32,340	-	1,952,029
<i>Vehicles</i>	1,456,550	55,874	(97,000)	1,415,424
<i>Roads</i>	9,798,094	1,365,820	-	11,163,914
<i>Bridges</i>	3,298,441	570,527	-	3,868,968
Total assets being depreciated	19,958,888	2,034,832	(97,000)	21,896,720
Less accumulated depreciation for				
<i>Buildings and improvements</i>	(2,330,364)	(153,506)	-	(2,483,870)
<i>Equipment</i>	(1,663,126)	(92,952)	-	(1,756,078)
<i>Vehicles</i>	(1,130,740)	(96,424)	(97,000)	(1,130,164)
<i>Roads</i>	(4,711,278)	(138,319)	-	(4,849,597)
<i>Bridges</i>	(885,450)	(45,867)	-	(931,317)
Total accumulated depreciation	(10,720,958)	(527,068)	(97,000)	(11,151,026)
Total capital assets being depreciated, net	9,237,930	1,507,764	-	10,745,694
Governmental activities, capital assets, net	\$ 9,684,249	\$ 1,517,339	\$ -	\$ 11,201,588

MENARD COUNTY, ILLINOIS
Notes to Basic Financial Statements – Continued

5. CAPITAL ASSETS - continued

Capital assets activity for *business-type activities* for the year ended November 30, 2012 is as follows –

	December 1	Increases	Decreases	November 30
Business-type Activities:				
Total assets not being depreciated	\$ -	\$ -	\$ -	\$ -
Capital assets being depreciated				
Buildings and improvements	6,345,190	21,915	-	6,367,105
Equipment and vehicles	1,401,962	32,015	-	1,433,977
Total assets being depreciated	7,747,152	53,930	-	7,801,082
Less accumulated depreciation for				
Buildings and improvements	(3,710,064)	(218,567)	-	(3,928,631)
Equipment	(1,093,533)	(61,576)	-	(1,155,109)
Total accumulated depreciation	(4,803,597)	(280,143)		(5,083,740)
Total capital assets being depreciated, net	2,943,555	(226,213)	-	2,717,342
Business-type activities, capital assets, net	\$ 2,943,555	\$ (226,213)	-	2,717,342

Capital assets activity for the enterprise funds for the year ended November 30, 2012 is as follows –

	December 1	Increases	Decreases	November 30
Sunny Acres Nursing Home:				
Capital assets being depreciated				
Buildings and improvements	\$ 3,969,064	\$ 21,915	\$ -	\$ 3,990,979
Equipment and vehicles	1,310,200	19,186	-	1,329,386
Total assets being depreciated	5,279,264	41,101	-	5,320,365
Less accumulated depreciation for				
Buildings and improvements	(2,585,626)	(135,026)	-	(2,720,652)
Equipment	(1,001,766)	(60,516)	-	(1,062,282)
Total accumulated depreciation	(3,587,392)	(195,542)	-	(3,782,934)
Sunny Acres Nursing Home capital assets, net	\$ 1,691,872	\$ (154,441)	\$ -	\$ 1,537,431

	December 1	Increases	Decreases	November 30
Countryside Estates of the County:				
Capital assets being depreciated				
Buildings and improvements	\$ 2,376,121	\$ -	\$ -	\$ 2,376,121
Equipment	91,764	12,829	-	104,593
Total assets being depreciated	2,467,885	12,829	-	2,480,714
Less accumulated depreciation for				
Buildings and improvements	(1,124,438)	(83,541)	-	(1,207,979)
Equipment	(91,764)	(1,060)	-	(92,824)
Total accumulated depreciation	(1,216,202)	(84,601)	-	(1,300,803)
Countryside Estates of the County capital assets, net	\$ 1,251,683	\$ (71,772)	\$ -	\$ 1,179,911

MENARD COUNTY, ILLINOIS
Notes to Basic Financial Statements - Continued

Capital asset activity for the County's *discretely presented component unit* for the year ended November 30, 2012 is as follows -

	December 1	Increases	Decreases	November 30
Menard County 911 System:				
Capital assets being depreciated				
Equipment	\$ 645,734	\$ 13,636	-	\$ 659,370
Total assets being depreciated	645,734	13,636	-	659,370
Less accumulated depreciation for				
Equipment	(469,255)	(95,803)	-	(565,058)
Total accumulated depreciation	(469,255)	(95,803)	-	(569,058)
Menard County 911 System				
capital assets, net	\$ 176,479	\$ (82,167)	\$ -	\$ 94,312

6. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at November 30, 2012 consist of the following -

	Due from							Total
	General Fund	Special Revenue Funds		Proprietary Funds	Fiduciary Funds			
		Major	Nonmajor					
General Fund	\$ -	\$ 344,046	28,333	\$ 51,675	\$ 46,927	\$ -	\$ 470,981	
Special Revenue Funds - Major	-	-	-	18,566	27,967	-	46,533	
Nonmajor	25,485	4,810	10,520	121	14,361	-	55,297	
Proprietary Funds	64,194	-	-	-	-	-	64,194	
Fiduciary Funds	-	-	10,000	-	1,083	-	11,083	
Total	\$ 89,679	\$ 348,856	48,853	\$ 70,361	\$ 90,339	\$ -	\$ 648,088	

The balance due to the *General Fund* from the *Special Revenue Funds* includes \$304,054 due from the *Emergency Medical Services Fund* and \$39,992 due from the *Health Department Fund*. These interfund advances have been the primary source of accounts receivable financing for both emergency medical services, and home health services.

MENARD COUNTY, ILLINOIS
Notes to Basic Financial Statements - Continued

7. LONG-TERM DEBT

Long-term debt obligations' activity for the year ended November 30, 2012 was as follows –

		<i>Beginning</i>				<i>Ending</i>	<i>Due</i>
		<i>Balance</i>	<i>Additions</i>	<i>Reductions</i>		<i>Balance</i>	<i>next</i>
							<i>year</i>
Governmental Activities:							
<i>Installment contracts</i>	\$	84,917	\$ -	\$ 14,917	\$	70,000	\$ 10,000
Total Governmental Activities	\$	84,917	\$ -	\$ 14,917	\$	70,000	\$ 10,000
Business-type Activities:							
<i>Revenue Bonds</i>	\$	-	\$ -	\$ -	\$	-	\$ -
Total Business-type activities	\$	-	\$ -	\$ -	\$	-	\$ -

Long-term obligations for the *governmental activities* consist of –

A \$70,000 loan due to the Illinois Finance Authority Ambulance Revolving Loan Program. The terms of the loan agreement do not require interest and the loan must be repaid in annual installments of \$10,000 through November 2019.

Debt service requirements at November 30, 2012 are as follows –

Governmental Activities				
<i>Year ending</i>				
<i>November 30</i>	<i>Principal</i>	<i>Interest</i>		<i>Total</i>
2013	10,000	-		10,000
2014	10,000	-		10,000
2015	10,000	-		10,000
2016	10,000	-		10,000
2017	10,000	-		10,000
2018-2019	20,000			20,000
Total	\$ 70,000	\$ -	\$	\$ 70,000

8. INTERGOVERNMENTAL AGREEMENT, BUSINESS – TYPE ACTIVITIES

Menard County had previously entered into an intergovernmental agreement with the State of Illinois to assist the Illinois Department of Healthcare and Family Services in administering an alternate Medicaid reimbursement methodology for county owned nursing homes. The Menard County Board of Commissioners designated that the administrative allowances earned because of the County's participation in the alternate reimbursement process, and the related interest income, net of any operating costs, be retained and restricted for future financing needs. The agreement became effective for services provided on and after October 1, 2002. The State terminated the agreement on September 30, 2006 and Menard County, as an owner and operator of a county owned nursing home, was then required to participate in the administration of the alternate Medicaid reimbursement methodology in accordance with new rules and regulations of the State of Illinois' Department of Healthcare and Family Services. While the agreement was in effect, both versions, the related financial transactions were accounted for in the County's *Intergovernmental Transfer Fund*. After the agreement was terminated,

MENARD COUNTY, ILLINOIS

Notes to Basic Financial Statements – Continued

the *Sunny Acres Nursing Home Fund* commenced administering and accounting for the alternate Medicaid reimbursement process, and the net assets of the *Intergovernmental Transfer Fund* were designated as *capital reserve* by the County’s Board of Commissioners, and transferred to, and segregated within the *Sunny Acres Nursing Home Fund* in November 2006.

The agreement for participating in the alternate reimbursement process ended in September 2009. The Medicaid reimbursement rate for 2010 and 2011 remained consistent with the 2009 rate via a funding plan that was approved by the federal government in June 2011; that successor arrangement for the Medicaid reimbursement methodology was and is to consist of a normal daily reimbursement amount to be earned monthly and a supplementary amount to be earned quarterly. It was and is the intent of the County’s Board of Commissioners that the supplemental amounts earned will be reserved and restricted for future capital and financing needs as they are collected. The quarterly supplemental amount has been consistently accrued as revenue since September 2009, through March 2012; approximately \$606,000 is included in accounts receivable at November 30, 2012. Management expects that this cumulative amount will eventually be collected from the State of Illinois.

9. PROPERTY TAXES

Property taxes attach as an enforceable lien on real property as of January 1 in the year in which the taxes are levied. The County bills and collects its own property taxes and also the taxes of other County taxing districts. The taxes are generally payable in two installments on June 1 and September 1. County property taxes are recognized as revenues when levied to the extent that they result in current receivables. The collection and remittance of property taxes to the County and other taxing districts is accounted for through the County Collector's General Tax Fund, a fiduciary fund.

The *unaudited* individual fund tax rates and limits during the years ended November 30, 2012 and 2011 are as follows:

RATES PER \$100 OF EQUALIZED ASSESSED VALUATION
(2011 EQUALIZED ASSESSED VALUE \$240,089,613)
(2010 EQUALIZED ASSESSED VALUE \$230,047,219)

	<u>Actual Rate</u>		<u>Legal Limit</u>
	<u>2011</u>	<u>2010</u>	
<i>General Fund</i>	.3195	.3344	.4350
<i>Retirement and FICA Fund</i>	.2427	.2347	None
<i>Liability Insurance Fund</i>	.0870	.0890	None
<i>Emergency Medical Services Fund</i>	.1327	.1392	.2500
<i>Tuberculosis Fund</i>	.0034	.0035	.7500
<i>General Assistance Fund</i>	.0174	.0183	.1000
<i>County Fair Fund</i>	.0145	.0153	.0200
<i>County Bridge Fund</i>	.0500	.0500	.0500
<i>Federal Aid Matching Fund</i>	.0500	.0500	.0500
<i>County Highway Fund</i>	.1030	.1030	.1030
<i>Road Repair and Maintenance Fund</i>	.0500	.0500	.0500
<i>Cooperative Extension Service Fund</i>	.0111	.0116	.0500
<i>Total rate</i>	<u>1.0813</u>	<u>1.0990</u>	

10. INTERFUND TRANSFERS

Transfers are used to (1) move revenues from the fund that statute or budget requires collect them, to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended November 30, 2012 consisted of the following -

		Transfers from							
Transfers to		General Fund		Special Revenue Funds		Proprietary Funds		Total	
				Major	Nonmajor				
	General Fund	\$	-	\$	-	109,240	\$	60,000	\$ 169,240
	Special Revenue								
Major		4,995		-	-		-	4,995	
Nonmajor		254,000		-	60,000		-	314,000	
Proprietary Funds		-		-	-		361,256	361,256	
Total	\$	258,995	\$	-	169,240	\$	421,256	\$ 849,491	

11. DEFINED BENEFIT PENSION PLANS

The County maintains three defined benefit pension plans through the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. They are as follows -

Regular Plan 03042R

Plan Description – The County’s defined benefit pension plan for regular employees does not include elected officials and certain law enforcement personnel. It provides retirement and disability benefits, post retirement increases, and death benefits to its plan members and beneficiaries. Benefit provisions are established by statute and may only be changed by General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy – As set by statute, Regular Plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate used by the County for calendar year 2012 was 8.88% of annual covered payroll. The required employer contribution rate for calendar year 2011 was 8.83%. The County also contributes for disability benefits, death benefits, and supplemental retirements, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

Annual Pension Cost – The County’s required annual pension cost for the *Regular Plan* for the year ended November 30, 2012 was \$467,859. The County contributed \$467,859.

Three –Year Trend Information for Regular Plan 03042R

Year ending		Annual	Percent		Net Pension
November 30,		Pension Cost	Contributed		Obligation
2012	\$	467,859	100%	\$	-
2011	\$	462,772	100%	\$	-
2010	\$	463,261	100%	\$	21,020

The 2010 net pension obligation was contributed in 2011.

MENARD COUNTY, ILLINOIS
Notes to Basic Financial Statements - Continued

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post – retirement benefit increases of 3% annually. The actuarial value of the plan’s assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis

Funded Status and Funding Progress – As of December 31, 2012, the most recent actuarial valuation date, the *Regular* plan was 95.90% percent funded. The actuarial accrued liability for benefits was \$9,964,425 and the actuarial value of assets was \$9,555,565, resulting in an underfunded actuarial accrued liability (UAAL) of \$408,860. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$5,287,261 and the ratio of the UAAL to the covered payroll was 8%. The schedule of funding progress, presented as *Required Supplementary Information* following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Elected County Officials Plan 03042E

Plan Description – The County’s defined benefit pension plan for *Elected County Officials* provides retirement and disability benefits, post retirement increases, and death benefits to its plan members and beneficiaries. Benefit provisions are established by statute and may only be changed by General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy – As set by statute, the County’s *Elected County Officials* plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate used by the County for calendar year 2012 was 38.41% of annual covered payroll. The required employer contribution rate for calendar year 2011 was 39.42%. The County also contributes for disability benefits, death benefits, and supplemental retirements, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

Annual Pension Cost – The County’s required annual pension cost for the *Elected County Officials Plan* for the year ended November 30, 2012 was \$151,118. The County contributed \$151,118.

Three –Year Trend Information for Elected County Officials Plan 03042E

<i>Year ending</i>		<i>Annual</i>	<i>Percent</i>		<i>Net Pension</i>
<i>November 30,</i>		<i>Pension Cost</i>	<i>Contributed</i>		<i>Obligation</i>
<i>2012</i>	\$	<i>151,118</i>	<i>100%</i>	\$	<i>-</i>
<i>2011</i>	\$	<i>149,349</i>	<i>100%</i>	\$	<i>-</i>
<i>2010</i>	\$	<i>162,948</i>	<i>100%</i>	\$	<i>10,742</i>

The 2010 net pension obligation was contributed in 2011.

MENARD COUNTY, ILLINOIS

Notes to Basic Financial Statements – Continued

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post – retirement benefit increases of 3% annually. The actuarial value of the plan’s assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis

Funded Status and Funding Progress – As of December 31, 2012, the most recent actuarial valuation date, the *Elected County Officials* plan was 51.80% percent funded. The actuarial accrued liability for benefits was \$2,693,231 and the actuarial value of assets was \$1,395,138 resulting in an underfunded actuarial accrued liability (UAAL) of \$1,298,093. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$393,004 and the ratio of the UAAL to the covered payroll was 330%

The schedule of funding progress, presented as *Required Supplementary Information* following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Sheriff’s Law Enforcement Personnel Plan 03042S

Plan Description – The County’s defined benefit pension plan for *Sheriff’s Law Enforcement Personnel* employees provides retirement and disability benefits, post retirement increases, and death benefits to its plan members and beneficiaries. Benefit provisions are established by statute and may only be changed by General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy – As set by statute, the County’s *Sheriff’s Law Enforcement Personnel* plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate used by the County for calendar year 2012 was 18.68% of annual covered payroll. The required employer contribution rate for calendar year 2011 was 18.15%. The County also contributes for disability benefits, death benefits, and supplemental retirements, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

Annual Pension Cost – The County’s required annual pension cost for the *Sheriff’s Law Enforcement Personnel Plan* for the year ended November 30, 2012 was \$103,511. The County contributed \$103,511.

Three –Year Trend Information for Sheriff’s Law Enforcement Personnel Plan 03042S

<i>Year ending</i>		<i>Annual</i>	<i>Percent</i>		<i>Net Pension</i>
<i>November 30,,</i>		<i>Pension Cost</i>	<i>Contributed</i>		<i>Obligation</i>
2011	\$	103,511	100%	\$	-
2010	\$	105,065	100%	\$	-
2009	\$	105,987	100%	\$	2,476

The 2010 net pension obligation was contributed in 2011.

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post – retirement benefit increases of 3% annually. The actuarial value of the plan’s assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress – As of December 31, 2012, the most recent actuarial valuation date, the *Sheriff’s Law Enforcement Personnel* plan was 68.23% percent funded. The actuarial accrued liability for benefits was \$1,909,460 and the actuarial value of assets was \$1,156,854 resulting in an underfunded actuarial accrued liability (UAAL) of \$752,606. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$548,849, and the ratio of the UAAL to the covered payroll was 137%

The schedule of funding progress, presented as *Required Supplementary Information* following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

12. DEFERRED COMPENSATION PLANS

The County sponsors deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are available to all County employees at their option and permit participants to defer a portion of their salary until future years. The deferred compensation and accumulated earnings are not available to participants until termination, retirement, death or unforeseeable emergency. The plans’ assets have been placed in trust for the exclusive benefit of plan participants and are not included in the County’s financial statements. The County has no fiduciary responsibility for the plans’ assets.

13. INTEREST EXPENSE

Total interest costs incurred by the *governmental activities* were \$29. The *business-type activities* did not incur any interest costs. All interest costs were expensed.

14. ECONOMIC DEPENDENCY

Emergency Medical Services’ operations and the operations of the Menard County Health Department are significantly funded with both Medicare and Medicaid revenues.

The majority of Sunny Acres’ Nursing Home’s residents receive Medicaid insurance benefits through the State of Illinois Department of Healthcare and Family Services. In these instances a substantial portion of the nursing home’s fee for resident care services is received directly from the State of Illinois. Amounts due from the State of Illinois for Medicaid reimbursements generally are in arrears two to three months, but increased to five to six months during 2011. Sunny Acres began providing Medicare services to eligible residents in late 2004. Approximately seventy percent of the nursing home’s revenue is derived through and from Medicare and Medicaid.

15. RISK MANAGEMENT

Menard County participates in the Illinois Counties Risk Management Trust to finance and manage its potential risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. This is an arrangement by which certain Illinois counties pool risks and funds and participate and share in the costs of reinsurance arrangements. There was no significant reduction in risk coverage from 2011.

The County is self-insured for State of Illinois unemployment compensation purposes. Such costs, if any are funded after notification from the State of Illinois.

Commercial insurance arrangements were previously used by the County to provide group medical and hospitalization benefits for its employees. During 2011 the County Board of Commissioners decided that Menard County should self fund the economic costs of providing group type medical and hospitalization benefits for its employees. This self funding arrangement took effect on July 1, 2011. The economic costs of this risk retention arrangement include payment of related claims up to certain threshold amounts, premium costs for acquiring reinsurance protection for claims in excess of the threshold amounts, and certain administrative costs. Eligible, participating employees of the County’s *governmental activities* and *business-type activities* contribute to the plan as does the County. An internal service fund, the *Self Insurance Fund*, is used to account for this risk retention activity. Internal service funds, by definition, are used by governmental entities to account for the financing of goods or services provided by one department or agency of the government to other departments or agencies of the government on a cost reimbursement basis. It is expected that rates will be developed annually to adequately fund the costs of this self insurance activity, including an up-front, \$50,000, working capital advance from the *General Fund* if conditions warrant.

Generally accepted accounting and financial reporting standards for risk financing and related insurance issues require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Activity in the *Self Insurance Fund’s* claim liability account, including reinsurance and administrative costs, was as follows -

<i>December 1, 2011 to November 30, 2012</i>		
<i>Beginning liability</i>	\$	70,000
<i>Current period claims, related costs, and estimates</i>		675,295
<i>Claims and related costs paid</i>		(595,178)
<i>Ending liability</i>	\$	(150,117)

All of the assets and liabilities of the *Self Insurance Fund* are included in the *Statement of Financial Position* at November 30, 2012 as *Governmental Activities* because of its reliance on the *General Fund* for deficit funding. The risk retention costs for 2012 are fairly presented by function as to *Governmental Activities and Business-Type Activities* in the *Statement of Activities* as an appropriate consequence of accounting for the sources of funding for the risk retention costs.

16. COMMITMENTS

Approximately \$823,000 of the *roads and bridges* restricted net assets is committed for current and future road and bridge construction projects.

17. CONTINGENCIES

The County participates in several Federal and State award programs and also derives revenues from Medicare and Medicaid. These programs are subject to program compliance audits by the grantors or their representatives. Management believes that any liability for reimbursement, if any, which may arise, as the result of these audits will not significantly impact the County's financial position.

The County's Board of Commissioners has authorized the County Treasurer to extend a line of credit of up to \$50,000 from the *General Fund* to the *Menard County Health Department* for working capital purposes in the event the delay in the reimbursement process for home health and grant related activity results in that Department's need for working capital. See also the discussion at Note 21 concerning the uncertainty with regards to this funding arrangement.

18. SUBSEQUENT EVENTS

Subsequent events were evaluated through May 31, 2013; the date that the financial statements were available for issuance. Events or transactions occurring after November 30, 2012 and prior to May 31, 2013 if any that provided additional evidence about conditions that existed at November 30, 2012 have been recognized in the financial statements.

19. NEW GOVERNMENT ACCOUNTING STANDARDS

The Governmental Accounting Standards Board issued a new accounting standard in February 2009. This statement, *Fund Balance Reporting and Governmental Fund Type Definitions*, established new and revised accounting and financial reporting standards for units of government that use and report *governmental funds*. It established criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The County commenced application of the relevant provisions of this new statement on December 1, 2010. There was no significant impact on the determination of net assets and fund balance amounts.

The Governmental Accounting Standards Board issued a new accounting standard in June, 2012. This statement, *Accounting and Financial Reporting for Pensions*, among other requirements and changes, revises and establishes new financial reporting standards for most governments that provide their employees with pension benefits. This statement requires that governments providing defined benefit pensions to recognize their unfunded net long term obligations for pension benefits as a liability for the first time in their statement of financial position which will entail immediate recognition of more pension expense than is presently required in the statement of activities. These new financial reporting requirements will be effective for the County for the fiscal year ending November 30, 2015.

MENARD COUNTY, ILLINOIS

Notes to Basic Financial Statements – Continued

21. UNCERTAINTY - MENARD COUNTY HEALTH DEPARTMENT

The Menard County Health Department is a “blended” component unit of Menard County. This relationship is discussed in Note 1. The Health Department is fiscally dependent on the County. The employer portion of the Health Department’s employees’ retirement costs is directly funded by the County; approximately \$67,000 annually. Those costs are included in the annual expenditures of the County’s Retirement and FICA Fund, a special revenue fund. In addition, the County has extended the Health Department a \$50,000 line of credit for interim accounts receivable financing needs. This revolving loan arrangement is with the County’s General Fund and was \$39,992 at November 30, 2012 and \$69,394 at May 31, 2013.

The Health Department’s home health services, a substantial component of the Department’s service mix for many years and a funding source for the public health services, has contracted severely during the past several years and the department has also experienced unanticipated credit losses in that regard. The result has been a level of liquidity and fund balance that are diminished and may not be adequate for funding anticipated accounts receivable financing needs and management’s planned attempts to recapture the Department’s former share of the local home health market.

22. LITIGATION

The County is a party to a lawsuit arising in the normal course of business. While the results of litigation cannot be predicted with certainty, management believes that the final outcome of such litigation will not have a materially adverse effect on the County’s financial position, if any.

REQUIRED SUPPLEMENTARY INFORMATION

MENARD COUNTY, ILLINOIS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED NOVEMBER 30, 2012

	2012		Actual Amounts	Variances - Positive (Negative)	
	Budgeted Amounts			Budget	Budget Final to
	Original	Final		Original to Final	Actual
REVENUES					
Property taxes	\$ 774,375	\$ 774,375	\$ 768,621	\$ -	\$ (5,754)
Federal and State payments	1,065,994	1,065,994	1,216,243	-	150,249
Fines, fees, forfeitures and licenses	367,200	367,200	477,814	-	110,614
Charges for services	234,775	234,775	188,008	-	(46,767)
Other	9,450	9,450	17,326	-	7,876
Interest	40,000	40,000	17,877	-	(22,123)
Total revenues	2,491,794	2,491,794	2,685,889	-	194,095
EXPENDITURES					
General government	1,199,155	1,109,155	1,018,578	90,000	90,577
Public safety	1,205,248	1,205,248	1,196,993	-	8,255
Judiciary and court	562,324	562,324	513,199	-	49,125
County development	6,250	6,250	6,250	-	-
Total expenditures	2,972,977	2,882,977	2,735,020	90,000	147,957
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(481,183)	(391,183)	(49,131)	(90,000)	342,052
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out):					
From County Farm Fund	85,000	85,000	85,000	-	-
From Probation Service Fund	7,500	7,500	7,500	-	-
From Sheriff's Vehicle Fund	2,500	2,500	1,706	-	(794)
From Circuit Clerk Operation and Administrative Fund	1,400	1,400	1,400	-	-
From DUI Equipment Fund	15,500	15,500	13,634	-	(1,866)
To Health Department Fund	(5,000)	(5,000)	(4,995)	-	5
To Animal Control Fund	(54,000)	(54,000)	(54,000)	-	-
To County Elections Fund	(60,000)	(60,000)	(60,000)	-	-
To Building Improvement Fund	(50,000)	(140,000)	(140,000)	(90,000)	-
Total other financing sources (uses)	(57,100)	(147,100)	(149,755)	(90,000)	(2,655)
NET CHANGE IN FUND BALANCE	(538,283)	(538,283)	(198,886)	-	339,397
FUND BALANCE - BEGINNING	1,954,501	1,954,501	2,104,051	-	149,550
RESIDUAL EQUITY TRANSFERS	60,000	60,000	60,000	-	-
FUND BALANCE - ENDING	\$ 1,476,218	\$ 1,476,218	\$ 1,965,165	\$ -	\$ 488,947

MENARD COUNTY, ILLINOIS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED NOVEMBER 30, 2012

	2012		Actual Amounts	Variances - Positive (Negative)	
	Budgeted Amounts			Budget	Budget Final to
	Original	Final		Original to Final	Actual
REVENUES					
Real estate taxes	\$ 770,000	\$ 770,000	\$ 764,640	\$ -	\$ (5,360)
Mobile home privilege taxes	575	575	536	-	(39)
Shelter rent in lieu of taxes	3,800	3,800	3,445	-	(355)
Federal and State payments:					
Personal property replacement tax	42,084	42,084	38,940	-	(3,144)
Sales tax	215,000	215,000	228,355	-	13,355
County supplemental sales tax	128,000	128,000	132,333	-	4,333
State income tax	530,000	530,000	606,691	-	76,691
Inheritance tax - rebate	5,000	5,000	2,014	-	(2,986)
Salary reimbursements	132,000	132,000	202,456	-	70,456
Federal awards	13,910	13,910	5,454	-	(8,456)
State awards	-	-	-	-	-
Fines, fees, forfeitures and licenses:					
Circuit Clerk fees and fines	140,000	140,000	200,776	-	60,776
County Clerk fees	150,000	150,000	185,301	-	35,301
Treasurer and Collector fees	33,000	33,000	35,858	-	2,858
County Sheriff fees	20,000	20,000	33,150	-	13,150
State's Attorney fees	4,000	4,000	5,186	-	1,186
Zoning fees	20,000	20,000	16,943	-	(3,057)
Other	200	200	600	-	400
Charges for services:					
Housing federal prisoners and others	100,000	100,000	53,233	-	(46,767)
Salary reimbursements	134,775	134,775	134,775	-	-
Other	9,450	9,450	17,326	-	7,876
Interest	40,000	40,000	17,877	-	(22,123)
TOTAL REVENUES	<u>\$ 2,491,794</u>	<u>\$ 2,491,794</u>	<u>\$ 2,685,889</u>	<u>\$ -</u>	<u>\$ 194,095</u>

MENARD COUNTY, ILLINOIS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED NOVEMBER 30, 2012

	2012		Actual Amounts	Variances - Positive (Negative)	
	Budgeted Amounts			Budget	Budget Final to
	Original	Final		Original to Final	Actual
EXPENDITURES					
General government:					
Building and grounds - Courthouse:					
Salaries of custodians	\$ 54,170	\$ 54,170	\$ 54,169	\$ -	\$ 1
Cleaning supplies	-	-	-	-	-
Operating fuel	300	300	521	-	(221)
Electrical, plumbing, etc	800	800	-	-	800
Building repairs and maintenance	5,500	5,500	6,871	-	(1,371)
Landscaping	2,000	2,000	707	-	1,293
Electricity and natural gas	30,000	30,000	21,714	-	8,286
Water and sewer	1,000	1,000	1,355	-	(355)
Garbage disposal	650	650	450	-	200
Sanitation, cleaning, disinfecting	7,800	7,800	7,191	-	609
Total building and grounds - Courthouse	102,220	102,220	92,978	-	9,242
Office of County Clerk and Recorder:					
Salary of County Clerk and Recorder	60,291	60,291	60,291	-	-
Salaries and wages	87,744	87,744	86,932	-	812
Stationery and office supplies	3,750	3,750	3,629	-	121
Office equipment	300	300	275	-	25
Copy machine supplies	1,800	1,800	1,798	-	2
Books, periodicals, manuals	100	100	100	-	-
Postage	4,500	4,500	3,194	-	1,306
Auto mileage and travel expense	1,500	1,500	751	-	749
Legal notices or publishing	100	100	52	-	48
Printing, duplication, binding	100	100	100	-	-
Telephone	1,500	1,500	1,493	-	7
Maintenance of office equipment	600	600	377	-	223
Dues and memberships	400	400	250	-	150
Instruction and schooling	250	250	70	-	180
Computer related	1,300	1,300	1,181	-	119
Total County Clerk and Recorder	164,235	164,235	160,493	-	3,742

MENARD COUNTY, ILLINOIS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED NOVEMBER 30, 2012

	2012		Actual Amounts	Variances - Positive (Negative)	
	Budgeted Amounts			Budget	Budget Final to
	Original	Final		Original to Final	Actual
EXPENDITURES					
General government (continued)					
Office of County Treasurer and Collector					
Salary of County Treasurer and Collector	60,291	60,291	60,291	-	-
Salaries and wages	50,870	50,870	50,470	-	400
Stationery and office supplies	1,200	1,200	1,080	-	120
Copy machine supplies	400	251	189	(149)	62
Office equipment	250	188	101	(62)	87
Books, periodicals, manuals	-	-	-	-	-
Computer related	96	96	96	-	-
Auto mileage	200	200	163	-	37
Postage	4,100	4,100	3,810	-	290
Travel expense	100	100	2	-	98
Legal notices or publishing	600	662	662	62	-
Printing, duplicating, binding	600	749	748	149	1
Telephone	1,050	1,050	1,008	-	42
Maintenance of office equipment	1,700	1,700	1,586	-	114
Dues and memberships	150	150	150	-	-
Instruction and schooling	-	-	-	-	-
Total County Treasurer and Collector	121,607	121,607	120,356	-	1,251
Office of Supervisor of Assessments:					
Salary of Supervisor of Assessments (50% reimbursed by the State of Illinois)	60,291	60,291	60,291	-	-
Salaries and wages	68,860	68,860	58,861	-	9,999
Per diem	500	500	-	-	500
Stationery and office supplies	1,000	1,000	279	-	721
Copy machine supplies	-	-	-	-	-
Office equipment	1,000	1,000	620	-	380
Books, periodicals, manuals	250	250	-	-	250
Computer related	596	596	96	-	500
Professional fees - appraisals	500	500	-	-	500
Auto mileage	2,000	2,000	559	-	1,441
Postage	3,000	3,000	2,749	-	251
Telephone	1,500	1,500	1,661	-	(161)
Travel expense	800	800	250	-	550
Legal notices or publishing	6,000	6,000	489	-	5,511
Printing, duplicating, binding	500	500	672	-	(172)
Dues and memberships	250	250	305	-	(55)
Instruction and schooling	1,000	1,000	830	-	170
Mapping maintenance	1,000	1,000	350	-	650
Total Supervisor of Assessments	149,047	149,047	128,012	-	21,035

MENARD COUNTY, ILLINOIS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED NOVEMBER 30, 2012

	2012		Actual Amounts	Variances - Positive (Negative)	
	Budgeted Amounts			Budget	Budget Final to
	Original	Final		Original to Final	Actual
EXPENDITURES					
General government (continued)					
County Coordinator and Zoning Administrator :					
Salaries and wages	71,246	71,246	64,998	-	6,248
Per diem	5,000	5,000	1,600	-	3,400
Stationery and office supplies	400	400	329	-	71
Copy machine supplies	200	200	-	-	200
Office equipment	200	200	50	-	150
Postage	800	800	743	-	57
Books, periodicals, manuals	150	150	-	-	150
Computer expense	100	100	96	-	4
Auto mileage	1,000	1,000	407	-	593
Travel expense	200	200	-	-	200
Legal notices or publishing	1,000	1,000	880	-	120
Printing, duplicating, binding	-	-	-	-	-
Telephone	1,200	1,200	1,125	-	75
Dues and memberships	300	300	30	-	270
Instruction and schooling	200	200	-	-	200
Office equipment greater than \$500	-	-	-	-	-
Total County Coordinator	81,996	81,996	70,258	-	11,738
Other:					
Salaries and wages	-	-	-	-	-
Compensation of County Commissioners	40,000	40,000	40,000	-	-
Per diem	4,320	4,320	720	-	3,600
Stationary and office supplies	1,000	1,000	300	-	700
Books, periodicals, manuals	-	-	-	-	-
Information technology	49,140	52,240	44,440	(3,100)	7,800
County's share of expenses of Regional Superintendent of Schools' Office	34,720	34,965	34,963	(245)	2
Menard County Rescue Squad	5,000	5,000	5,000	-	-
Inquest and autopsy fees	15,000	15,000	7,496	-	7,504
State of Illinois revenue stamps	45,000	45,000	52,660	-	(7,660)
Auditing and accounting services	44,150	44,150	43,850	-	300
Consulting, GASB34	6,000	6,000	6,000	-	-
Auto mileage	2,000	2,000	1,610	-	390
Office equipment	7,195	7,295	7,176	(100)	119
Travel expenses	500	500	73	-	427
Legal notices or publishing	825	825	256	-	569
Court reporting	1,000	1,000	-	-	1,000
Surety Bonds	200	200	50	-	150
Health Insurance	198,000	198,000	185,170	-	12,830
Telephone	200	200	-	-	200
Dues and memberships	1,000	1,000	904	-	96
Contingencies	100,000	10,000	210	90,000	9,790
Other	4,800	4,800	3,793	-	1,007
Office equipment over \$500	20,000	16,555	11,810	3,445	4,745
Total other expenditures	580,050	490,050	446,481	90,000	43,569
Total general government	1,199,155	1,109,155	1,019,653	90,000	89,502

MENARD COUNTY, ILLINOIS

GENERAL FUND

BUDGETARY COMARISON SCHEDULE
FOR THE YEAR ENDED NOVEMBER 30, 2012

	2012		Actual Amounts	Variances - Positive (Negative)	
	Budgeted Amounts			Budget	Budget Final to
	Original	Final		Original to Final	Actual
EXPENDITURES					
Public safety:					
Office of County Sheriff - Law Enforcement:					
Salary of Sheriff	68,149	68,149	68,149	-	-
Other salaries and wages	880,893	880,893	854,509	-	26,384
Stationery and supplies	2,000	2,000	2,083	-	(83)
Copy machine supplies	1,500	1,500	1,424	-	76
Books, periodicals, manuals	1,500	1,500	1,257	-	243
Office equipment	500	500	67	-	433
Computer related	5,100	5,100	2,160	-	2,940
Inmate supplies	3,000	3,000	2,419	-	581
Medical, dental, and nursing fees	25,000	25,000	31,573	-	(6,573)
Prisoner food and meals	32,000	32,000	30,484	-	1,516
Gasoline, equipment, and supplies	40,000	40,000	39,986	-	14
Clothing, uniforms	10,000	11,000	13,454	1,000	(2,454)
Operational supplies	4,000	4,000	3,239	-	761
Towing and hauling	500	500	125	-	375
Postage	2,500	2,500	2,500	-	-
Legal notices or publishing	350	350	-	-	350
Electricity and gas	16,000	16,000	14,098	-	1,902
Telephone	17,000	17,000	16,238	-	762
Water and sewer	5,500	5,500	5,930	-	(430)
Garbage disposal	720	720	600	-	120
Automobile maintenance	18,000	18,000	17,204	-	796
Mobile equipment maintenance	5,000	5,000	6,206	-	(1,206)
Office equipment maintenance	1,500	1,500	477	-	1,023
Landscaping maintenance	500	500	64	-	436
Office equipment leases	5,300	5,300	5,270	-	30
Dues and memberships	2,135	2,632	2,632	497	-
Janitorial	9,100	9,100	9,692	-	(592)
Housing prisoners in other counties	11,000	10,000	5,620	(1,000)	4,380
Travel expense	2,000	2,000	803	-	1,197
Convention	1,000	503	225	(497)	278
Instruction and schooling	6,000	6,000	3,574	-	2,426
County Sheriff (carried forward)	1,177,747	1,177,747	1,142,062	-	35,685

MENARD COUNTY, ILLINOIS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED NOVEMBER 30, 2012

	2012		Actual Amounts	Variances - Positive (Negative)	
	Budgeted Amounts			Budget	Budget Final to
	Original	Final		Original to Final	Actual
EXPENDITURES					
Public safety (continued)					
Office of County Sheriff - Law Enforcement:					
County Sheriff (brought forward)	1,177,747	1,177,747	1,142,062	-	35,685
Investigation costs	500	500	1,547	-	(1,047)
Photographic equipment	-	-	-	-	-
Automotive equipment	23,000	23,000	52,124	-	(29,124)
Radio equipment	500	500	327	-	173
Office equipment over \$500	3,000	3,000	213	-	2,787
Other	501	501	720	-	(219)
Total Public Safety	1,205,248	1,205,248	1,196,993	-	8,255
Judiciary and court related:					
Office of State's Attorney:					
Salary of State's Attorney (100% reimbursed by the State of Illinois)	131,500	131,500	128,959	-	2,541
Other salaries and wages	56,822	56,822	37,115	-	19,707
Stationery and office supplies	3,410	3,410	2,349	-	1,061
Office equipment	495	495	462	-	33
Copy machine supplies	825	875	842	50	33
Books, periodicals, manuals	4,300	4,300	3,389	-	911
Computer related	120	120	96	-	24
Contractual services	385	385	-	-	385
Court reporting	800	750	81	(50)	669
Witness fees	1,000	1,000	223	-	777
Postage	975	975	924	-	51
Travel	875	875	693	-	182
Legal notices or publishing	300	300	-	-	300
Telephone	2,000	2,000	1,031	-	969
Office equipment maintenance	200	200	-	-	200
Dues and memberships	775	775	724	-	51
Instruction and schooling	825	825	800	-	25
Investigation expense	1,000	1,000	-	-	1,000
Miscellaneous fees	100	100	60	-	40
State's Attorney appellate service	5,000	5,000	5,000	-	-
Total State's Attorney	211,707	211,707	182,748	-	28,959

MENARD COUNTY, ILLINOIS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED NOVEMBER 30, 2012

	2012		Actual Amounts	Variances - Positive (Negative)	
	Budgeted Amounts			Budget	Budget Final to
	Original	Final		Original to Final	Actual
EXPENDITURES					
Judiciary and court related (continued)					
Office of Circuit Clerk:					
Salary of Circuit Clerk	60,291	60,291	60,291	-	-
Other salaries and wages	94,608	94,608	91,599	-	3,009
Stationery and office supplies	3,000	3,000	2,954	-	46
Copy machine supplies	-	-	-	-	-
Books, periodicals, manuals	-	-	-	-	-
Computer related	100	100	96	-	4
Auto mileage	200	200	82	-	118
Postage	4,500	4,500	4,317	-	183
Printing, duplicating, binding	-	-	-	-	-
Telephone	2,100	2,100	1,630	-	470
Office equipment maintenance	-	-	-	-	-
Office equipment rental	2,000	2,000	1,264	-	736
Dues and memberships	250	250	205	-	45
Total Circuit Clerk	167,049	167,049	162,438	-	4,611
The Courts of Menard County:					
Juror fees	8,000	8,000	1,895	-	6,105
Office equipment	1,000	1,000	659	-	341
Stationery and office supplies	1,400	1,400	1,129	-	271
Books, periodicals, manuals	5,000	5,000	3,232	-	1,768
Jurors' food and meals	1,000	-	155	(1,000)	(155)
Computer related	100	100	96	-	4
Court reporting	2,000	2,000	49	-	1,951
Legal - guardian ad litem, attorney fees, judge's salary, etc.	45,000	46,240	49,512	1,240	(3,272)
Services for juveniles	5,000	5,000	-	-	5,000
Witnesses	1,000	760	-	(240)	760
Auto mileage	800	800	-	-	800
Travel expenses	1,000	25	-	(975)	25
Telephone	900	900	799	-	101
Medical, dental and nursing fees	500	500	-	-	500
Instruction and schooling	1,000	1,000	-	-	1,000
Office equipment maintenance	1,000	1,000	2,025	-	(1,025)
Other	400	1,375	975	975	400
Postage	600	600	210	-	390
Dues and memberships	350	350	-	-	350
Office equipment greater than \$500	1,500	1,500	1,359	-	141
Total Courts of Menard County	77,550	77,550	62,095	-	15,455

MENARD COUNTY, ILLINOIS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED NOVEMBER 30, 2012

	2012		Actual Amounts	Variances - Positive (Negative)	
	Budgeted Amounts			Budget	Budget Final to
	Original	Final		Original to Final	Actual
EXPENDITURES					
Judiciary and court related (continued)					
Probation office:					
Salaries and wages (41% reimbursed by the State of Illinois)	106,018	106,018	105,918	-	100
Stationery and office supplies	-	-	-	-	-
Travel and auto mileage	-	-	-	-	-
Legal notices or publishing	-	-	-	-	-
Postage	-	-	-	-	-
Telephone	-	-	-	-	-
Instruction and Schooling	-	-	-	-	-
Office equipment	-	-	-	-	-
Computer expense	-	-	-	-	-
Total probation office	106,018	106,018	105,918	-	100
Total judiciary and court related	562,324	562,324	513,199	-	49,125
County development:					
Soil Conservation	6,250	6,250	6,250	-	-
Total County development	6,250	6,250	6,250	-	-
Total Expenditures	\$ 2,972,977	\$ 2,882,977	\$ 2,735,020	\$ 90,000	\$ 147,957

MENARD COUNTY, ILLINOIS
LIABILITY AND INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED NOVEMBER 30, 2012

	2012		Actual Amounts	Variances - Positive (Negative)	
	Budgeted Amounts			Budget Original to	Budget Final to
	Original	Final		Final	Actual
REVENUES					
Property taxes	\$ 205,621	\$ 205,621	\$ 209,298	\$ -	\$ 3,677
Total revenues	205,621	205,621	209,298	-	3,677
EXPENDITURES					
Liability and insurance	240,769	240,769	213,187	-	27,582
Total expenditures	240,769	240,769	213,187	-	27,582
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(35,148)	(35,148)	(3,889)	-	31,259
FUND BALANCE - BEGINNING	482,769	482,769	485,784	-	3,015
FUND BALANCE - ENDING	\$ 447,621	\$ 447,621	\$ 481,895	\$ -	\$ 34,274

MENARD COUNTY, ILLINOIS

EMERGENCY MEDICAL SERVICES FUND

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED NOVEMBER 30, 2012

	2012		Actual Amounts	Variances - Positive (Negative)	
	Budgeted Amounts			Budget	Budget Final to
	Original	Final		Original to Final	Actual
REVENUES					
Property taxes	\$ 321,650	\$ 321,650	\$ 319,239	\$ -	\$ (2,411)
Public safety sales tax	415,000	415,000	440,051	-	25,051
Federal and State payments	-	-	59,493	-	59,493
Charges for services	452,280	452,280	429,273	-	(23,007)
Other	-	-	15,977	-	15,977
Interest	-	-	-	-	-
Total revenues	1,188,930	1,188,930	1,264,033	-	75,103
EXPENDITURES					
Public safety:					
Salaries and wages	784,308	784,308	773,313	-	10,995
Retirement	124,045	124,045	119,135	-	4,910
Unemployment compensation	2,000	2,000	-	-	2,000
Health insurance	60,000	60,000	53,525	-	6,475
Insurance and risk management	52,520	53,270	53,234	(750)	36
Operational	60,500	60,500	85,876	-	(25,376)
Repair and maintenance	34,000	33,250	27,294	750	5,956
Rents and leases	25,200	25,200	25,459	-	(259)
Telephone	12,500	12,500	12,453	-	47
Professional assistance	34,500	34,500	29,744	-	4,756
Other	13,430	12,930	7,892	500	5,038
Equipment acquisitions	32,119	32,119	17,745	-	14,374
Interest expense	3,030	3,030	429	-	2,601
Total expenditures	1,238,152	1,237,652	1,206,099	500	31,553
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(49,222)	(48,722)	57,934	500	106,656
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out) From General Fund	-	-	-	-	-
Total other financing sources	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(49,222)	(48,722)	57,934	500	106,656
FUND BALANCE - BEGINNING	200,397	200,397	240,838	-	40,441
FUND BALANCE - ENDING	\$ 151,175	\$ 151,675	\$ 298,772	\$ 500	\$ 147,097

MENARD COUNTY, ILLINOIS

HEALTH DEPARTMENT FUND

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED NOVEMBER 30, 2012

	2012		Actual Amounts	Variances - Positive (Negative)	
	Budgeted Amounts			Budget	Budget Final to
	Original	Final		Original to Final	Actual
REVENUES					
Federal and State Grant Programs	\$ 320,205	\$ 320,205	\$ 306,601	\$ -	\$ (13,604)
Home Health Care Program	336,500	336,500	188,244	-	(148,256)
Health Department fees	76,525	76,525	157,357	-	80,832
Interest	300	300	100	-	(200)
Total revenues	733,530	733,530	652,302	-	(81,228)
EXPENDITURES					
Public health:					
Salaries and wages	437,326	432,326	413,642	5,000	18,684
Office	9,050	5,050	4,587	4,000	463
Operational	28,650	36,650	32,608	(8,000)	4,042
Contractual services	65,250	52,250	41,060	13,000	11,190
Professional fees	14,700	14,700	13,645	-	1,055
Transportation	26,600	21,600	18,570	5,000	3,030
Publishing and printing	26,000	21,000	24,785	5,000	(3,785)
Risk management costs	7,010	7,010	7,010	-	-
Health Insurance	35,000	44,500	44,377	(9,500)	123
Utilities	20,600	20,600	19,686	-	914
Repair and maintenance	300	300	312	-	(12)
Rents and leases	29,500	29,500	28,183	-	1,317
Other	36,250	51,250	36,410	(15,000)	14,840
Total expenditures	736,236	736,736	684,875	(500)	51,861
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(2,706)	(3,206)	(32,573)	500	(29,367)
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)					
From General Fund	5,000	5,000	4,995	-	(5)
Total other financing sources	5,000	5,000	4,995	-	(5)
NET CHANGE IN FUND BALANCE	2,294	1,794	(27,578)	500	(29,372)
FUND BALANCE - BEGINNING	126,098	126,098	29,414	500	(96,684)
FUND BALANCE - ENDING	\$ 128,392	\$ 127,892	\$ 1,836	\$ 500	\$ (126,056)

MENARD COUNTY, ILLINOIS

COUNTY HIGHWAY FUND

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED NOVEMBER 30, 2012

	2012		Actual Amounts	Variances - Positive (Negative)	
	Budgeted Amounts			Budget	Budget Final to
	Original	Final		Original to Final	Actual
REVENUES					
Property taxes	\$ 248,400	\$ 248,400	\$ 247,790	\$ -	\$ (610)
Federal and State payments	260,000	260,000	44,662	-	(215,338)
Charges for services	213,500	213,500	297,729	-	84,229
Other	1,500	1,500	16,918	-	15,418
Interest	8,000	8,000	5,135	-	(2,865)
Total revenues	731,400	731,400	612,234	-	(119,166)
EXPENDITURES					
Roads and bridges:					
Salaries and wages	279,013	279,013	246,697	-	32,316
Office	5,500	5,500	1,911	-	3,589
Operational	130,500	130,500	118,342	-	12,158
Maintenance	2,200	2,200	1,149	-	1,051
Construction	19,500	19,500	207	-	19,293
Professional fees	176,000	176,000	44,651	-	131,349
Transportation	13,500	13,500	612	-	12,888
Publishing and printing	2,000	2,000	246	-	1,754
Health insurance	54,000	54,000	48,996	-	5,004
Utilities	20,100	20,100	12,763	-	7,337
Repair and maintenance	94,500	94,500	35,034	-	59,466
Rents and leases	20,000	20,000	15,558	-	4,442
Right of way	5,000	5,000	-	-	5,000
Bridges and culverts	1,000	1,000	419	-	581
Road improvements	150,000	150,000	340	-	149,660
Drainage improvements	5,000	5,000	-	-	5,000
Equipment acquisitions	367,350	367,350	-	-	367,350
Other	8,750	8,750	7,815	-	935
Total roads and bridges	1,353,913	1,353,913	534,740	-	819,173
NET CHANGE IN FUND BALANCE	(622,513)	(622,513)	77,494	-	700,007
FUND BALANCE - BEGINNING	769,075	769,075	730,935	-	(38,140)
FUND BALANCE - ENDING	\$ 146,562	\$ 146,562	\$ 808,429	\$ -	\$ 661,867

MENARD COUNTY, ILLINOIS

COUNTY MOTOR FUEL TAX FUND

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED NOVEMBER 30, 2012

	2012		Actual Amounts	Variances - Positive (Negative)	
	Budgeted Amounts			Budget Original to Final	Budget Final to Actual
	Original	Final			
REVENUES					
Federal and State payments	\$ 330,000	\$ 330,000	\$ 359,210	\$ -	\$ 29,210
Interest	200	200	339	-	139
Total revenues	330,200	330,200	359,549	-	29,349
EXPENDITURES					
Road and bridges:					
Salaries and wages	101,865	101,865	101,861	-	4
Stationery and supplies	-	-	-	-	-
Asphalt and road oil	240,000	240,000	128,624	-	111,376
Cinders	10,000	10,000	-	-	10,000
Salt	80,000	80,000	16,369	-	63,631
Aggregates	10,000	10,000	-	-	10,000
Centerline paint	-	-	-	-	-
Engineering	-	-	-	-	-
Hauling	10,000	10,000	-	-	10,000
Road maintenance	12,000	12,000	8,412	-	3,588
Rents and leases	15,000	15,000	1,541	-	13,459
Bridges and culverts	-	-	-	-	-
Road improvements	15,000	15,000	-	-	15,000
Total expenditures	493,865	493,865	256,807	-	237,058
NET CHANGE IN FUND BALANCE	(163,665)	(163,665)	102,742	-	266,407
FUND BALANCE - BEGINNING	346,052	346,052	347,173	-	1,121
FUND BALANCE - ENDING	\$ 182,387	\$ 182,387	\$ 449,915	\$ -	\$ 267,528

MENARD COUNTY, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS (REGULAR)
ILLINOIS MUNICIPAL RETIREMENT FUND**

November 30, 2012

<u>Year Ended November 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2009	\$ 188,493	100%	\$ -
2010	\$ 463,261	100%	\$ -
2011	\$ 462,772	100%	\$ -
2012	\$ 467,859	100%	\$ -

MENARD COUNTY, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS (ECO)
ILLINOIS MUNICIPAL RETIREMENT FUND**

November 30, 2012

<u>Year Ended November 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2009	\$ 126,054	100%	\$ -
2010	\$ 162,948	100%	\$ -
2011	\$ 149,349	100%	\$ -
2012	\$ 151,118	100%	\$ -

MENARD COUNTY, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS (SLEP)
ILLINOIS MUNICIPAL RETIREMENT FUND**

November 30, 2012

<u>Year Ended November 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2009	\$ 83,145	100%	\$ -
2010	\$ 105,987	100%	\$ -
2011	\$ 105,065	100%	\$ -
2012	\$ 103,511	100%	\$ -

MENARD COUNTY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS (REGULAR)
ILLINOIS MUNICIPAL RETIREMENT FUND

November 30, 2012

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) / (OAAL) (2) - (1)	(5) Covered Payroll	UAAL / (OAAL) As a Percentage of Covered Payroll (4) / (5)
12/31/09	\$ 8,718,695	\$ 9,041,492	96.43%	\$ 322,797	\$4,871,167	-6.63%
12/31/10	\$ 8,950,134	\$ 9,332,186	95.91%	\$ 382,052	\$5,176,087	-7.38%
12/31/11	\$ 8,481,919	\$ 9,317,573	91.03%	\$ 835,654	\$5,224,865	-15.99%
12/31/12	\$ 9,555,565	\$ 9,964,425	95.90%	\$ 408,860	\$5,287,261	-7.73%

Note----- On a market value basis, the actuarial value of assets as of December 31, 2012 is \$9,869,386.

On a market value basis, the funded ratio would be 99.05%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Menard County. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

MENARD COUNTY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS (ECO)
ILLINOIS MUNICIPAL RETIREMENT FUND

November 30, 2012

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1)/(2)	(4) Unfunded (Overfunded) AAL (UAAL)/(OAAL) (2) - (1)	(5) Covered Payroll	UAAL / (OAAL) As a Percentage of Covered Payroll (4) / (5)
12/31/09	\$ 674,448	\$ 2,220,541	30.37%	\$ 1,546,093	\$ 368,472	419.60%
12/31/10	\$ 862,942	\$ 2,354,603	36.65%	\$ 1,590,867	\$ 371,737	401.27%
12/31/11	\$ 1,103,991	\$ 2,497,456	44.20%	\$ 1,393,465	\$ 378,420	368.23%
12/31/12	\$ 1,395,138	\$ 2,693,231	51.80%	\$ 1,298,093	\$ 393,004	330.30%

Note----- On a market value basis, the actuarial value of assets as of December 31, 2013 is \$1,455,638

On a market value basis, the funded ratio would be 54.05%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Menard County. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

MENARD COUNTY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS (SLEP)
ILLINOIS MUNICIPAL RETIREMENT FUND

November 30, 2012

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) / (OAAL) (2) - (1)	(5) Covered Payroll	UAAL / (OAAL) As a Percentage of Covered Payroll (4) / (5)
12/31/09	\$ 1,259,431	\$ 1,811,028	69.54%	\$ 551,597	\$ 538,634	102.41%
12/31/10	\$ 1,135,868	\$ 1,773,542	64.05%	\$ 637,674	\$ 599,741	106.32%
12/31/11	\$ 1,366,303	\$ 2,002,494	68.23%	\$ 636,191	\$ 578,470	109.98%
12/31/12	\$ 1,156,854	\$ 1,909,460	60.59%	\$ 752,606	\$ 548,849	137.12%

Note----- On a market value basis, the actuarial value of assets as of December 31, 2012 is \$1,214,930

On a market value basis, the funded ratio would be 63.63%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Menard County. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

MENARD COUNTY, ILLINOIS

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
For the year ended November 30, 2012

1. BUDGETS AND BUDGETARY ACCOUNTING

Budget amounts are determined on a basis consistent with generally accepted accounting principles for the specific fund types.

Appropriation balances lapse at year-end; consequently, the County does not utilize encumbrance accounting, a system by which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation.

The County generally follows these procedures in establishing its budget –

1. In October of each year, the County Board of Commissioners develops a proposed operating budget for the fiscal year commencing the following December 1. The budget includes proposed expenditures and the means of financing them for virtually all of the County's individual funds.
2. A copy of the proposed budget is placed on file with the County Clerk for public inspection.
3. Each year the budget is adopted by resolution of the County Board of Commissioners.

After adoption of the budget, further appropriations are prohibited for appropriated funds except in the event of an emergency. Transfers from one appropriation of any one fund to another appropriation of the same fund, not affecting the total amount appropriated, may be made at any meeting of the County Board by a vote of the members.

Formal budgetary integration is employed during the year as a management control device. Appropriation balances lapse at year-end. The following governmental funds had an excess of actual expenditures over budgeted expenditures for the year ended November 30, 2011.

	<i>Expenditures</i>		
	<i>Actual</i>	<i>Budget</i>	<i>Excess</i>
<i>Nonmajor Funds</i>			
<i>Tuberculosis Fund</i>	\$ 9,448	\$ 8,075	\$ 1,373
<i>Senior Transport Fund</i>	\$ 38,743	\$ 33,605	\$ 5,138

MENARD COUNTY, ILLINOIS

Notes to Required Supplementary Information – Continued

A management budget is prepared each year for the two *enterprise funds* that comprise the County’s *business-type activities*. The County Board of Commissioners’ and management’s expectations for *Sunny Acres Nursing Home* and *Countryside Estates of the County* results of operations is always greater than what is documented in the management budgets for those operations.

Management expects that the deficit condition, \$198,809, of the County’s internal service fund, the *Self Insurance Fund* for the risk retention aspects of self funding group medical and hospitalization type benefits for eligible and participating County employees, will be corrected during the year ending November 30, 2012.

2. DEFINED BENEFIT PENSION PLANS

The County maintains three defined benefit pension plans through the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. They are as follows -

Regular Plan 03042R

Plan Description – The County’s defined benefit pension plan for regular employees does not include elected officials and certain law enforcement personnel. It provides retirement and disability benefits, post retirement increases, and death benefits to its plan members and beneficiaries. Benefit provisions are established by statute and may only be changed by General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy – As set by statute, Regular Plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate used by the County for calendar year 2012 was 8.88% of annual covered payroll. The required employer contribution rate for calendar year 2011 was 8.83%. The County also contributes for disability benefits, death benefits, and supplemental retirements, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

Annual Pension Cost – The County’s required annual pension cost for the *Regular Plan* for the year ended November 30, 2012 was \$467,859. The County contributed \$467,859.

Three –Year Trend Information for Regular Plan 03042R

<i>Year ending</i>		<i>Annual</i>	<i>Percent</i>		<i>Net Pension</i>
<i>November 30,</i>		<i>Pension Cost</i>	<i>Contributed</i>		<i>Obligation</i>
2012	\$	467,859	100%	\$	-
2011	\$	462,772	100%	\$	-
2010	\$	463,261	100%	\$	21,020

The 2010 net pension obligation was contributed in 2011.

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included

MENARD COUNTY, ILLINOIS

Notes to Required Supplementary Information – Continued

(a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post – retirement benefit increases of 3% annually. The actuarial value of the plan’s assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis

Funded Status and Funding Progress – As of December 31, 2012, the most recent actuarial valuation date, the *Regular* plan was 95.90% percent funded. The actuarial accrued liability for benefits was \$9,964,425 and the actuarial value of assets was \$9,555,565, resulting in an underfunded actuarial accrued liability (UAAL) of \$408,860. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$5,287,261 and the ratio of the UAAL to the covered payroll was 8%. The schedule of funding progress, presented as *Required Supplementary Information* following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Elected County Officials Plan 03042E

Plan Description – The County’s defined benefit pension plan for *Elected County Officials* provides retirement and disability benefits, post retirement increases, and death benefits to its plan members and beneficiaries. Benefit provisions are established by statute and may only be changed by General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy – As set by statute, the County’s *Elected County Officials* plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate used by the County for calendar year 2012 was 38.41% of annual covered payroll. The required employer contribution rate for calendar year 2011 was 39.42%. The County also contributes for disability benefits, death benefits, and supplemental retirements, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

Annual Pension Cost – The County’s required annual pension cost for the *Elected County Officials Plan* for the year ended November 30, 2012 was \$151,118. The County contributed \$151,118.

Three –Year Trend Information for Elected County Officials Plan 03042E

<i>Year ending</i>		<i>Annual</i>	<i>Percent</i>		<i>Net Pension</i>
<i>November 30,</i>		<i>Pension Cost</i>	<i>Contributed</i>		<i>Obligation</i>
<i>2012</i>	\$	<i>151,118</i>	<i>100%</i>	\$	<i>-</i>
<i>2011</i>	\$	<i>149,349</i>	<i>100%</i>	\$	<i>-</i>
<i>2010</i>	\$	<i>162,948</i>	<i>100%</i>	\$	<i>10,742</i>

MENARD COUNTY, ILLINOIS
Notes to Required Supplementary Information – Continued

The 2010 net pension obligation was contributed in 2011.

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post – retirement benefit increases of 3% annually. The actuarial value of the plan’s assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis

Funded Status and Funding Progress – As of December 31, 2012, the most recent actuarial valuation date, the *Elected County Officials* plan was 51.80% percent funded. The actuarial accrued liability for benefits was \$2,693,231 and the actuarial value of assets was \$1,395,138 resulting in an underfunded actuarial accrued liability (UAAL) of \$1,298,093. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$393,004 and the ratio of the UAAL to the covered payroll was 330%

The schedule of funding progress, presented as *Required Supplementary Information* following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Sheriff’s Law Enforcement Personnel Plan 03042S

Plan Description – The County’s defined benefit pension plan for *Sheriff’s Law Enforcement Personnel* employees provides retirement and disability benefits, post retirement increases, and death benefits to its plan members and beneficiaries. Benefit provisions are established by statute and may only be changed by General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy – As set by statute, the County’s *Sheriff’s Law Enforcement Personnel* plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate used by the County for calendar year 2012 was 18.68% of annual covered payroll. The required employer contribution rate for calendar year 2011 was 18.15%. The County also contributes for disability benefits, death benefits, and supplemental retirements, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

Annual Pension Cost – The County’s required annual pension cost for the *Sheriff’s Law Enforcement Personnel Plan* for the year ended November 30, 2012 was \$103,511. The County contributed \$103,511.

MENARD COUNTY, ILLINOIS
Notes to Required Supplementary Information – Continued

Three –Year Trend Information for Sheriff’s Law Enforcement Personnel Plan 03042S

<i>Year ending</i>		<i>Annual</i>	<i>Percent</i>		<i>Net Pension</i>
<i>November 30,,</i>		<i>Pension Cost</i>	<i>Contributed</i>		<i>Obligation</i>
2011	\$	103,511	100%	\$	-
2010	\$	105,065	100%	\$	-
2009	\$	105,987	100%	\$	2,476

The 2010 net pension obligation was contributed in 2011.

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post – retirement benefit increases of 3% annually. The actuarial value of the plan’s assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress – As of December 31, 2012, the most recent actuarial valuation date, the *Sheriff’s Law Enforcement Personnel* plan was 68.23% percent funded. The actuarial accrued liability for benefits was \$1,909,460 and the actuarial value of assets was \$1,156,854 resulting in an underfunded actuarial accrued liability (UAAL) of \$752,606. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$548,849, and the ratio of the UAAL to the covered payroll was 137%

The schedule of funding progress, presented as *Required Supplementary Information* following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Retirement and FICA Fund

To account for the levy and collection of the annual tax for payment of the County's contribution to the United States Social Security System and the Illinois Municipal Retirement Fund.

Tuberculosis Fund

To account for the levy and collection of the annual tax for the purpose of providing for the care and treatment of inhabitants who may be afflicted with tuberculosis.

Animal Control Fund

To account for the receipt of service fees from Municipalities, registration fees and fines, and the payment of costs of the Animal Control Program in the County including payment of damages to individuals for the loss of livestock and poultry. One-third of all fees collected must be retained in the Fund until the first Monday in March for the purpose of paying damage claims.

County Farm Fund

To account for the proceeds derived from the leasing of farmland owned by the County and the payment of necessary expenditures. The County Board may appropriate accumulated proceeds for general county purposes.

General Assistance Fund

To account for the levy and collection of the annual tax for general assistance purposes in the County.

County Fair Fund

To account for the levy and collection of the annual tax for County fair purposes.

County Clerk Document Storage System Fund

To account for the collection of a recording fee used for automating the County Clerk's office.

SPECIAL REVENUE FUNDS - continued

Tax Sale Automation Fund

To account for the collection of fees for costs related to the automation of the property tax system and delinquent property tax sales.

County Elections Fund

To account for funds provided by the General Fund for annual elections costs.

Court Automation Fund

To account for the collection of an automation fee to be used for automating the Circuit Clerk's office.

Cooperative Extension Service Fund

To account for the levy and collection of the annual tax for the Cooperative Extension Service.

Senior Transport Fund

To account for the revenues and costs of providing transportation to Menard County citizens sixty years of age and older.

Building Improvement Fund

To account for monies designated for anticipated major improvements to the County Courthouse including the County jail facility.

Court Document Storage System Fund

To account for the collection of a court document fee to be used to establish a court document storage system in the Circuit Clerk's office.

Probation Services Fund

To account for funds collected and expended for costs associated with the probation office. Plans for expenditure are subject to approval by the State probation office.

County Bridge Fund

To account for the levy and collection of the annual tax for the purpose of aiding in the constructing and repairing of County bridges, culverts, grade separations and drainage structures.

SPECIAL REVENUE FUNDS - continued

Federal Aid Matching Fund

To account for the levy and collection of the annual tax for the purpose of providing funds to pay the expenses for engineering and other costs and its proportionate share of construction or maintenance of highways in the Federal primary, secondary, or County highway network.

Road Repair and Maintenance Fund

To account for the levy and collection of the annual tax for the purpose of improving, constructing, maintaining or repairing certain County roads.

Court Services Fund

To account for the collection of court services fees for costs related to the providing of court security.

Court Fund

To account for the collection of fees from the Circuit Clerk for Court improvements.

D.U.I. Equipment Fund

To account for the collection of fees from the Circuit Clerk to be used for the purchase of equipment.

County G.I.S. Fund

To account for the resources to implement a Digitalized Geographic Information Mapping System for the County.

State's Attorney Drug Forfeiture Fund

To account for the receipt of drug forfeiture funds and proceeds in accordance with provisions of the prevailing State Statute.

Emergency Relief Fund

To account for certain grants and contributions received for programs to aid certain Menard County residents in the payment of specific emergency expenditures.

Public Land Dedication Fees Fund

To account for certain zoning fees pertaining to the dedication of public lands.

SPECIAL REVENUE FUNDS – continued

Tourism Promotion Fund

To account for the receipt of a county wide hotel tax to be used for funding certain costs relating to tourism promotion, conventions, expositions, theatrical, sports, and cultural activities within the County.

Drug Traffic Prevention Fund

To account for fees and contributions received for funding certain costs pertaining to preventing drug traffic activities in the County.

Circuit Clerk Operation and Administration Fund

To account for fees collected by the Circuit Clerk that are designated for funding certain operations and administration costs.

Sheriff Vehicle Fund

To account for fees collected by the Circuit Clerk that are designated to assist in funding the costs of acquiring and replacing the Sheriff Department's vehicles.

MENARD COUNTY, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

NOVEMBER 30, 2012

	Retirement and Fica Fund	Tuberculosis Fund	Animal Control Fund	County Farm Fund	General Assistance Fund	County Fair Fund
ASSETS						
Cash and certificates of deposit	\$ 268,625	\$ 30,714	\$ 7,909	\$ 43,828	\$ 147,988	\$ 1,087
Investments	-	-	-	-	-	-
Accounts receivable	-	4	-	-	-	-
Taxes receivables	-	-	-	-	-	-
Due from other funds	26,635	-	-	-	-	-
Total assets	\$ 295,260	\$ 30,718	\$ 7,909	\$ 43,828	\$ 147,988	\$ 1,087

LIABILITIES AND FUND BALANCES

LIABILITIES						
Accounts payable	\$ 87,345	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued compensation	-	-	3,500	-	-	-
Deferred revenue	-	-	-	-	15,000	-
Due to other funds	-	-	-	28,333	-	-
Total liabilities	87,345	-	3,500	28,333	15,000	-
FUND BALANCES	207,915	30,718	4,409	15,495	132,988	1,087
Total liabilities and fund balances	\$ 295,260	\$ 30,718	\$ 7,909	\$ 43,828	\$ 147,988	\$ 1,087

MENARD COUNTY, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

NOVEMBER 30, 2012

	County Clerk Document Storage System Fund	Tax Sale Automation Fund	County Elections Fund	Court Automation Fund	Cooperative Extension Service Fund	Senior Transport Fund
ASSETS						
Cash and certificates of deposit	\$ 103,197	\$ 7,706	\$ 113,873	\$ 50,691	\$ 21,282	\$ 16,268
Investments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Taxes receivables	-	-	-	-	-	-
Due from other funds	1,952	-	-	325	-	-
Total assets	\$ 105,149	\$ 7,706	\$ 113,873	\$ 51,016	\$ 21,282	\$ 16,268

LIABILITIES AND FUND BALANCES

LIABILITIES						
Accounts payable	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued compensation	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	2,500
Due to other funds	-	-	-	-	-	1,030
Total liabilities	4,000	-	-	-	-	3,530
FUND BALANCES	101,149	7,706	113,873	51,016	21,282	12,738
Total liabilities and fund balances	\$ 105,149	\$ 7,706	\$ 113,873	\$ 51,016	\$ 21,282	\$ 16,268

MENARD COUNTY, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

NOVEMBER 30, 2012

	Building Improvement Fund	Court Document Storage System Fund	Probation Services Fund	County Bridge Fund	Federal Aid Matching Fund	Road Repair and Maintenance Fund
ASSETS						
Cash and certificates of deposit	\$ 393,298	\$ 98,385	\$ 117,824	\$ 412,167	\$ 317,136	\$ 22,413
Investments	-	-	-	-	-	-
Accounts receivable	-	1,842	-	83,597	46,006	-
Taxes receivables	-	-	-	-	-	-
Due from other funds	-	198	4,744	4,810	9,490	-
Total assets	\$ 393,298	\$ 100,425	\$ 122,568	\$ 500,574	\$ 372,632	\$ 22,413

LIABILITIES AND FUND BALANCES

LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 31,055	\$ -
Accrued compensation	-	-	-	-	-	-
Deferred revenue	-	4,500	-	-	-	-
Due to other funds	-	-	-	19,490	-	-
Total liabilities	-	4,500	-	19,490	31,055	-
FUND BALANCES	393,298	95,925	122,568	481,084	341,577	22,413
Total liabilities and fund balances	\$ 393,298	\$ 100,425	\$ 122,568	\$ 500,574	\$ 372,632	\$ 22,413

MENARD COUNTY, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

NOVEMBER 30, 2012

	Court Services Fund	Court Fund	D.U.I. Equipment Fund	County G.I.S. Fund	State's Attorney Drug Forfeiture Fund	Emergency Relief Fund
ASSETS						
Cash and certificates of deposit	\$ 57,676	\$ 9,829	\$ -	\$ 150,125	\$ 1,079	\$ 19,493
Investments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Taxes receivables	-	-	-	-	-	-
Due from other funds	1,184	655	-	5,117	-	-
Total assets	\$ 58,860	\$ 10,484	\$ -	\$ 155,242	\$ 1,079	\$ 19,493

LIABILITIES AND FUND BALANCES

LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 356	\$ 2,500	\$ -	\$ -
Accrued compensation	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	2,000
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	356	2,500	-	2,000
FUND BALANCES	58,860	10,484	(356)	152,742	1,079	17,493
Total liabilities and fund balances	\$ 58,860	\$ 10,484	\$ -	\$ 155,242	\$ 1,079	\$ 19,493

MENARD COUNTY, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

NOVEMBER 30, 2012

	Public Land Dedication Fees Fund	Tourism Promotion Fund	Drug Traffic Prevention Fund	Circuit Clerk Operation and Administration Fund	Sheriff Vehicle Fund	Totals
ASSETS						
Cash and certificates of deposit	\$ 1,560	\$ 9,460	\$ 3,812	\$ 4,074	\$ -	\$ 2,431,499
Investments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	131,449
Taxes receivables	-	2,325	-	-	-	2,325
Due from other funds	-	-	-	107	80	55,297
Total assets	\$ 1,560	\$ 11,785	\$ 3,812	\$ 4,181	\$ 80	\$ 2,620,570
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 80	\$ 125,336
Accrued compensation	-	-	-	-	-	3,500
Deferred revenue	-	-	-	-	-	24,000
Due to other funds	-	-	-	-	-	48,853
Total liabilities	-	-	-	-	80	201,689
FUND BALANCES	1,560	11,785	3,812	4,181	-	2,418,881
Total liabilities and fund balances	\$ 1,560	\$ 11,785	\$ 3,812	\$ 4,181	\$ 80	\$ 2,620,570

MENARD COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED NOVEMBER 30, 2012

	Retirement and Fica Fund	Tuberculosis Fund	Animal Control Fund	County Farm Fund	General Assistance Fund	County Fair Fund	County Clerk Document Storage System Fund	Tax Sale Automation Fund	County Elections Fund	Court Automation Fund
REVENUES										
Property taxes	\$ 580,842	\$ 8,136	\$ -	\$ -	\$ 41,643	\$ 34,703	\$ -	\$ -	\$ -	\$ -
Mobile home privilege tax	407	6	-	-	29	24	-	-	-	-
Other taxes	2,617	37	-	-	188	156	-	-	-	-
Personal property replacement tax	25,485	-	-	-	-	-	23,017	2,087	-	6,120
Fines, fees, forfeitures and licenses	-	-	-	-	-	-	-	-	6,070	-
Federal and State payments	-	-	40,427	91,254	-	-	-	-	-	-
Charges for services	-	-	1,300	-	1,654	-	-	-	-	-
Other	-	122	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total revenues	609,351	8,301	41,727	91,254	43,514	34,883	23,017	2,087	6,070	6,120
EXPENDITURES										
Current:										
General government	-	-	-	795	-	-	11,881	1,384	75,620	-
Public safety	-	-	93,679	-	-	-	-	-	-	-
Roads and bridges	-	-	-	-	-	-	-	-	-	-
Public health	-	9,448	-	-	-	-	-	-	-	-
Judiciary and court	-	-	-	-	-	-	-	-	-	5,561
County development	-	-	-	-	-	34,500	-	-	-	-
Liability and insurance	-	-	-	-	-	-	-	-	-	-
Retirement and FICA	604,479	-	-	-	-	-	-	-	-	-
Public welfare	-	-	-	-	33,621	-	-	-	-	-
Debt Service:										
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Capital outlay:										
Total expenditures	604,479	9,448	93,679	795	33,621	34,500	11,881	1,384	75,620	5,561
EXCESS REVENUES OVER (UNDER) EXPENDITURES	4,872	(1,147)	(51,952)	90,459	9,893	383	11,136	703	(69,550)	559
OTHER FINANCING SOURCES (USES)										
Operating transfers in	-	-	54,000	-	-	-	-	-	60,000	-
Operating transfers out	-	-	-	(85,000)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	54,000	(85,000)	-	-	-	-	60,000	-
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,872	(1,147)	2,048	5,459	9,893	383	11,136	703	(9,550)	559
FUND BALANCE - BEGINNING	203,043	31,865	2,361	10,036	123,095	704	90,013	7,003	123,423	50,457
Residual equity transfer	-	-	-	-	-	-	-	-	-	-
FUND BALANCE - ENDING	\$ 207,915	\$ 30,718	\$ 4,409	\$ 15,495	\$ 132,988	\$ 1,087	\$ 101,149	\$ 7,706	\$ 113,873	\$ 51,016

MENARD COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED NOVEMBER 30, 2012

	Cooperative Extension Service Fund	Senior Transport Fund	Building Improvement Fund	Court Document Storage System Fund	Probation Services Fund	County Bridge Fund	Federal Aid Matching Fund	Road Repair and Maintenance Fund	Court Services Fund	Court Fund
REVENUES										
Property taxes	\$ 26,564	\$ -	\$ -	\$ -	\$ -	\$ 119,664	\$ 119,664	\$ 119,664	\$ -	\$ -
Mobile home privilege tax	19	-	-	-	-	84	84	84	-	-
Other taxes	120	-	-	-	-	539	539	539	-	-
Personal property replacement tax	-	-	-	-	-	-	-	-	-	-
Fines, fees, forfeitures and licenses	-	-	-	3,687	45,150	-	-	-	21,252	9,233
Federal and State payments	-	13,560	-	6,945	-	94,854	90,173	-	-	-
Charges for services	-	8,061	-	-	-	42,428	-	-	-	-
Other	-	14,110	10	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total revenues	26,703	35,731	10	10,632	45,150	257,569	210,460	120,287	21,252	9,233
EXPENDITURES										
Current:										
General government	-	-	13,141	-	-	-	-	-	-	-
Public safety	-	-	7,429	-	-	-	-	-	-	-
Roads and bridges	-	-	-	-	-	220,305	112,199	101,947	-	-
Public health	-	-	-	-	-	-	-	-	-	-
Judiciary and court	-	-	-	8,317	27,056	-	-	-	38,448	-
County development	29,725	-	-	-	-	-	-	-	-	-
Liability and insurance	-	-	-	-	-	-	-	-	-	-
Retirement and FICA	-	-	-	-	-	-	-	-	-	-
Public welfare	-	38,743	-	-	-	-	-	-	-	-
Debt Service:										
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Capital outlay:										
-	-	-	24,572	-	-	39,604	83,880	-	-	-
-	-	-	45,142	-	-	259,909	196,079	101,947	38,448	-
Total expenditures	29,725	38,743	45,142	8,317	27,056	259,909	196,079	101,947	38,448	-
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(3,022)	(3,012)	(45,132)	2,315	18,094	(2,340)	14,381	18,340	(17,196)	9,233
OTHER FINANCING SOURCES (USES)										
Operating transfers in	-	-	200,000	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	(7,500)	-	-	-	-	(60,000)
Total other financing sources (uses)	-	-	200,000	-	(7,500)	-	-	-	-	(60,000)
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,022)	(3,012)	154,868	2,315	10,594	(2,340)	14,381	18,340	(17,196)	(50,767)
FUND BALANCE - BEGINNING	24,304	15,750	238,430	93,610	111,974	483,424	327,196	4,073	76,056	61,251
Residual equity transfer	-	-	-	-	-	-	-	-	-	-
FUND BALANCE - ENDING	\$ 21,282	\$ 12,738	\$ 393,298	\$ 95,925	\$ 122,568	\$ 481,084	\$ 341,577	\$ 22,413	\$ 58,860	\$ 10,484

MENARD COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED NOVEMBER 30, 2012

	D.U.I. Equipment Fund	County G.I.S. Fund	State's Attorney Drug Forfeiture Fund	Emergency Relief Fund	Public Land Dedication Fees Fund	Tourism Promotion Fund	Drug Traffic Prevention Fund	Circuit Clerk Operation and Administration Fund	Sheriff Vehicle Fund
REVENUES									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile home privilege tax	-	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	9,301	-	-	-
Personal property replacement tax	-	-	-	-	-	-	-	-	-
Fines, fees, forfeitures and licenses	5,274	52,938	-	737	-	-	-	1,599	1,629
Federal and State payments	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	4,164	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total revenues	5,274	52,938	-	4,901	-	9,301	-	1,599	1,629
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Roads and bridges	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-
Judiciary and court	-	-	-	-	-	-	-	-	-
County development	-	13,425	-	-	-	9,900	-	-	-
Liability and insurance	-	-	-	-	-	-	-	-	-
Retirement and FICA	-	-	-	-	-	-	-	-	-
Public welfare	-	-	-	3,647	-	-	-	-	-
Debt Service:									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay:	-	2,790	-	-	-	-	-	-	-
Total expenditures	-	16,215	-	3,647	-	9,900	-	-	-
EXCESS REVENUES OVER (UNDER) EXPENDITURES	5,274	36,723	-	1,254	-	(599)	-	1,599	1,629
OTHER FINANCING SOURCES (USES)									
Operating transfers in	-	-	-	-	-	-	-	-	-
Operating transfers out	(13,634)	-	-	-	-	-	-	(1,400)	(1,706)
Total other financing sources (uses)	(13,634)	-	-	-	-	-	-	(1,400)	(1,706)
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(8,360)	36,723	-	1,254	-	(599)	-	199	(77)
FUND BALANCE - BEGINNING	8,004	116,019	1,079	16,239	1,560	12,384	3,812	3,982	77
Residual equity transfer	-	-	-	-	-	-	-	-	-
FUND BALANCE - ENDING	\$(356)	\$ 152,742	\$ 1,079	\$ 17,493	\$ 1,560	\$ 11,785	\$ 3,812	\$ 4,181	\$ -

MENARD COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED NOVEMBER 30, 2012

	Totals
REVENUES	
Property taxes	\$ 1,050,880
Mobile home privilege tax	737
Other taxes	14,036
Personal property replacement tax	25,485
Fines, fees, forfeitures and licenses	171,986
Federal and State payments	212,339
Charges for services	182,170
Other	21,238
Interest	122
Total revenues	1,678,993
EXPENDITURES	
Current:	
General government	102,821
Public safety	101,108
Roads and bridges	434,451
Public health	9,448
Judiciary and court	79,382
County development	87,550
Liability and insurance	-
Retirement and FICA	604,479
Public welfare	76,011
Debt Service:	
Principal retirement	-
Interest and fiscal charges	-
Capital outlay:	150,846
Total expenditures	1,646,096
EXCESS REVENUES OVER (UNDER) EXPENDITURES	32,897
OTHER FINANCING SOURCES (USES)	
Operating transfers in	314,000
Operating transfers out	(169,240)
Total other financing sources (uses)	144,760
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	177,657
FUND BALANCE - BEGINNING	2,241,224
Residual equity transfer	-
FUND BALANCE - ENDING	\$ 2,418,881

FIDUCIARY FUNDS

PRIVATE-PURPOSE TRUST FUNDS

Law Library Fund

To account for the revenues derived from the "law library" fee and the payment of expenses incurred in establishing and maintaining a law library. The money available in the fund may not be appropriated by the County Board but is disbursed on order of the Chief Circuit Judge. The fees are collected by the Circuit Clerk and paid into the Law Library Fund.

Indemnity Fund

To account for indemnity fees paid to the County Collector derived from tax sales; the fund is to accumulate until it reaches .03% of the assessed valuation or \$50,000, whichever is greater. The purpose of the fund is to indemnify the Treasurer for judgments against the Treasurer arising from tax sales.

Child Advocacy Center Fund

To account for monies collected for the purpose of establishing and maintaining a Children's Advocacy Center to coordinate the investigation, prosecution, and treatment referral of child abuse.

Sheriff's Drug Forfeiture Fund

To account for proceeds from forfeitures received by the fund and used by the County Sheriff for certain investigative and training expenditures.

Tax Sale in Error Interest Payment Fund

To account for certain fees collected during the tax sale process by the County Collector and the expenditure of those funds for court ordered payments.

Road Districts Truck Fund

To account for certain pooled resources of the County's road districts for the purpose of maintaining certain roads in the County.

AGENCY FUNDS

Circuit Clerk's Fund

Functions as a clearing account for the operations of the Office of the Circuit Clerk. Clerk's fees, fines and bail bond deposits and other deposits are received by the fund and retained until proper disposition of the funds is determined. Fees earned are remitted to the General Fund.

Accounts for the collection and distribution of court-ordered child support and alimony payments.

County Clerk's Fund

Functions as a clearing account for the operation of the Office of the County Clerk. Fees earned are remitted to the General Fund.

County Sheriff's Fund

Functions as a clearing account for the operations of the Office of the County Sheriff Fees earned are remitted to the General Fund.

State's Attorney's Fund

Functions as a clearing account for the operations of the Office of the State's Attorney. Fees earned are remitted to the General Fund.

County Collector's General Tax Fund

To account for the collection and distribution of property taxes to the various taxing districts inside and outside of the County.

County Collector's Mobile Home Privilege Tax Fund

To account for the collection and distribution of mobile home privilege tax to the various taxing districts of the County.

Township Bridge Program Fund

To account for the collection of State allotments to road districts for bridge construction projects in the County.

Township Motor Fuel Tax Fund

To account for the collection and distribution of State motor fuel tax allotments for the road districts of the County.

MENARD COUNTY, ILLINOIS

COMBINING STATEMENT OF
FIDUCIARY NET ASSETS

NOVEMBER 30, 2012

	Private-Purpose Trust Funds							Totals
	Law Library Fund	Indemnity Fund	Child Advocacy Center Fund	Sheriff's Drug Forfeiture Fund	Tax sale in Error Interest Payment Fund	Road Districts Truck Fund		
ASSETS								
Cash	\$ 3,573	\$ 93,830	\$ 2,088	\$ -	\$ 10,219	\$ 94,725	\$ 204,435	
Receivables	-	33	-	-	-	-	33	
Due from other funds	190	-	-	-	-	-	190	
Capital assets, net	-	-	-	-	-	57,254	57,254	
Total assets	3,763	93,863	2,088	-	10,219	151,979	261,912	
LIABILITIES								
Accounts payable	-	-	-	-	-	1,000	1,000	
Total liabilities	-	-	-	-	-	1,000	1,000	
NET ASSETS								
Held in trust for -								
Individuals, organizations, and other governments	\$ 3,763	\$ 93,863	\$ 2,088	\$ -	\$ 10,219	\$ 150,979	\$ 260,912	

MENARD COUNTY, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FOR THE YEAR ENDED NOVEMBER 30, 2012

	Private-Purpose Trust Funds							Totals
	Law Library Fund	Indemnity Fund	Child Advocacy Center Fund	Sheriff's Drug Forfeiture Fund	Tax Sale in Error Payment Fund	Road Districts Truck Fund		
ADDITIONS								
Fines, fees, and forfeitures	\$ 3,705	\$ 3,400	\$ -	\$ -	\$ 1,200	\$ -	\$ 8,305	
Charges for services	-	-	-	-	-	22,852	22,852	
Contributions	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Interest	-	427	2	-	12	97	538	
Total additions	3,705	3,827	2	-	1,212	22,949	31,695	
DEDUCTIONS								
Costs of maintaining County law library	3,488	-	-	-	-	-	3,488	
Investigations and training	-	-	-	-	-	-	-	
Operating expenses	-	140	-	-	1,287	14,314	15,741	
Depreciation	-	-	-	-	-	31,359	31,359	
Total deductions	3,488	140	-	-	1,287	45,673	50,588	
Change in net assets	217	3,687	2	-	(75)	(22,724)	(18,893)	
NET ASSETS-BEGINNING	3,546	90,176	2,086	-	10,294	173,703	279,805	
NET ASSETS-ENDING	\$ 3,763	\$ 93,863	\$ 2,088	\$ -	\$ 10,219	\$ 150,979	\$ 260,912	

MENARD COUNTY, ILLINOIS

COMBINING STATEMENT OF ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED AT NOVEMBER 30, 2011

	Circuit Clerk's Fund	County Clerk's Fund	County Sheriff's Fund	State's Attorney's Fund	County Collector's General Tax Fund	County Collector's Mobile Home Tax Fund	Township Bridge Program Fund	Township Motor Fuel Tax Fund
ASSETS								
Cash	\$ 95,274	\$ 61,238	\$ 4,474	\$ 261	\$ 352	\$ -	\$ 75,316	\$ 390,402
Receivables	-	-	317	-	-	-	-	43,536
Due from others	-	-	-	-	-	-	-	-
Due from other funds	-	-	503	390	-	-	10,000	-
Other	-	70,000	-	-	-	-	-	-
Total assets	\$ 95,274	\$ 131,238	\$ 5,294	\$ 651	\$ 352	\$ -	\$ 85,316	\$ 433,938
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to road districts	-	-	-	-	-	-	85,316	405,971
Due to taxing districts	-	-	-	-	352	-	-	-
Due to others	74,469	93,665	1,690	261	-	-	-	-
Due to other funds	20,805	37,573	3,604	390	-	-	-	27,967
Total liabilities	\$ 95,274	\$ 131,238	\$ 5,294	\$ 651	\$ 352	\$ -	\$ 85,316	\$ 433,938

MENARD COUNTY, ILLINOIS

COMBINING STATEMENT OF ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED AT NOVEMBER 30, 2011

	Inheritance Tax Fund	Payroll Clearing Funds	Inmates' Fund	Totals
ASSETS				
Cash	\$ -	\$ 66,148	\$ 25,443	\$ 718,908
Receivables	-	-	-	43,853
Due from others	-	-	-	-
Due from other funds	-	-	-	10,893
Other	-	-	-	70,000
Total assets	\$ -	\$ 66,148	\$ 25,443	\$ 843,654
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to road districts	-	-	-	491,287
Due to taxing districts	-	-	-	352
Due to others	-	66,148	25,443	261,676
Due to other funds	-	-	-	90,339
Total liabilities	\$ -	\$ 66,148	\$ 25,443	\$ 843,654